AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
December 14, 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 October 4, 2016.


5. Public Comment.

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

ITEMS 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.

No items for this meeting.

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 A-Ram Plumbing, Inc. to provide: annual contract for plumbing services for sewer lateral locates, Package 1, Bid No. 16-16114, for a total of $446,675.00.

2. Authorizing the extension of an existing contract of Safety Supply, Inc. to provide: annual contract for safety hard hats, Bid No. 13-0773, for a total of $72,472.02.

3. Acceptance of the bid of Burnett Lime Company, Inc. to provide: annual contract for two phases of 30% hydrated lime slurry, Bid No. 16-15071, for a total of $98,500.00.

4. Authorizing the direct award of a contract to Celico Partnership dba Verizon Wireless to provide: annual contract for Verizon Unlimited and 5GB wireless broadband access, DIR-TSO-3415, Bid No. 16-1149, for a total of $633,420.00.

5. Authorizing the direct award of a contract to Vulcan Construction Materials, LLC to provide: annual contract for asphalt and pothole paving materials, COSA Bid No. 6100007453, Bid No. 16-0211, for a total of $893,750.00.

6. Authorizing additional funding to an existing contract with WaterSmart Software, Inc. to provide: customer consumption reporting tool, Bid No. 16-16050, for a total of $169,000.00.

7. Acceptance of the bid of Penco, Inc. to provide: annual contract for fluorosilicic acid, Bid No. 16-2008, for a total of $841,365.00.

8. Authorizing the extension of the existing sole source contract of Kapsch Trafficcom USA, Inc. to provide: annual contract for maintenance and service renewal for DYNAC SCADA, Bid No. 15-15131, for a total of $60,000.00.

9. Acceptance of the sole source bid of Solutions II to provide: annual contract for network performance monitoring, Bid No. 16-16108, for a total of $99,999.47.
10. Authorizing the direct award of a contract to Freeit Data Solutions, Inc. to provide: annual contract for Nimble Storage shelves, DIR- TSO-2640, Bid No. 16-16126, for a total of $97,464.04.

11. Authorizing the direct award of a contract to Teqsys, Inc. to provide: annual contract for Netbackup licensing and one year of maintenance, DIR-SDD-1917, Bid No. 16-16125, for a total of $209,850.00.

12. Acceptance of the sole source bid of MARS Co. to provide: one-time data migration and system configuration and annual water meter test equipment software licensing, Bid No. 16-16136, for a total of $101,790.00.

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

7. 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>
<th>W CCN</th>
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<tbody>
<tr>
<td>1</td>
<td>M2G Stone Oak Tract</td>
<td>M2G Stone Oak, Ltd</td>
<td>22.09</td>
<td>307</td>
<td>300</td>
<td>COSA</td>
<td>EARZ</td>
<td>CCN OUT</td>
<td>IN</td>
<td>OUT</td>
<td>IN</td>
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<tr>
<td>2</td>
<td>Crestway Tract</td>
<td>Dale Slinkard</td>
<td>42.58</td>
<td>200</td>
<td>0</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>CCN OUT</td>
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<td>3</td>
<td>Anaqua Springs Unit 7 Tract</td>
<td>Anaqua Springs Ranch, Inc.</td>
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<td>10</td>
<td>0</td>
<td>COSA ETJ</td>
<td>EARZ</td>
<td>CCN OUT</td>
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<tr>
<td>4</td>
<td>Steubing Tract</td>
<td>XJ 1869 Development, L.P.</td>
<td>448.9</td>
<td>2,420</td>
<td>2,015</td>
<td>COSA</td>
<td>EARZ</td>
<td>OVR IN</td>
<td>IN</td>
<td>IN</td>
<td>IN</td>
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<tr>
<td>5</td>
<td>BCB Unit 15 Tract</td>
<td>Brooks Development Authority</td>
<td>60.1</td>
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<td>OUTSIDE</td>
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<td>IN</td>
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<td>6</td>
<td>Comanche Ridge Subdivision</td>
<td>Ovaro Investments, LLC</td>
<td>135.84</td>
<td>715</td>
<td>715</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>CCN IN</td>
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8. A Resolution awarding a construction contract to Pesado Construction, Inc. in an amount not to exceed $5,343,000.00 in connection with the Highlands Estates, Unit 1 PUD Montana Pass Floating Ground Storage Tank Project; approving a contract between the System, SA Highland Estates, Inc., and Pesado Construction, Inc. for the project work; authorizing the expenditure of funds in the amount of $5,099,421.10 for the System’s proportionate share of the project work payable to Pesado Construction, Inc., and the expenditures of funds in the amount of $534,300.00 for the System’s
Production, Transmission and Treatment Improvements

9. A Resolution approving Contract Amendment No. 14 in the amount not to exceed $455,541.32 payable to Civil Engineering Consultants in connection with the Water Resources Integration Pipeline Project 1: Pipeline, Segment II Project. (GENOVEVA GOMEZ – MICHAEL MYERS)

10. A Resolution approving Contract Amendment No. 5 in the amount not to exceed $881,005.00 payable to Freese and Nichols, Inc. in connection with the Water Resources Integration Pipeline Project 1: Pipeline, Segment III Project. (GENOVEVA GOMEZ – MICHAEL MYERS)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

11. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving the additional expenditure of funds in the amount of $14,104.25 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the Old Grissom Road from Culebra (FM 471) to Grissom Road Project. (GENOVEVA GOMEZ – KATHLEEN PRICE)

12. A Resolution approving an Advance Funding Agreement with Texas Department of Transportation; authorizing the expenditure of funds in the amount not to exceed $83,179.41 for the adjustment of water facilities by Texas Department of Transportation in connection with the FM 1560 Culvert Replacement Project. (GENOVEVA GOMEZ – KATHLEEN PRICE)

WATER RESOURCES ITEMS

13. A Resolution approving a Commercial Custom Rebate Agreement with the Dominion Homeowner Association in an amount not to exceed $97,053.22 for the installation, management and efficiency upgrades included in a Smart Water Management Irrigation System. (DONOVAN BURTON – KAREN GUZ)

14. A Resolution approving an agreement with the San Antonio Botanical Garden Society, Inc., for two water conservation education projects; SAWS branding and naming of the new discovery center and a two-phase project consisting of: (i) concept design and (ii) redevelopment of SAWS WaterSaver Lane demonstration garden utilized as an educational showcase to teach about different types of landscapes for the purpose of demonstrating water conservation through landscape design at the Botanical Garden in an amount not to exceed $350,000.00. (DONOVAN BURTON – KAREN GUZ)

15. A Resolution approving a joint funding agreements with the United States Geological Survey in an amount not to exceed $189,000.00 for the periods of December 2016, and January 1, 2017 through December 31, 2017, for measuring inputs and outputs of the Medina Surface Water and Groundwater System. (DONOVAN BURTON – DARREN THOMPSON)
16. A Resolution awarding a professional services contract to LBG-Guyton Associates in an amount not to exceed $410,000.00 for a period of three years to include a one-year extension option in connection with the Water Resources Engineering Consultant contract. (DONOVAN BURTON – DARREN THOMPSON)

MISCELLANEOUS ITEMS

17. A Resolution awarding a construction contract to Texas Pride Utilities, LLC in an amount not to exceed $823,949.00 in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1. (JEFF HABY – TAMSEN MCNARIE)

18. A Resolution awarding a service contract to Grid One Solutions, Inc. in an amount not to exceed $1,334,439.60 in connection with the 2016 Meter Replacement Program. (AGNES BARARD – TIMOTHY DAVIS)

19. A Resolution authorization of expenditures in the amount not to exceed $1,800,000.00 for the purchase of Cisco System products and services through the State of Texas Department of Information Resources Contract DIR-TSO-2542 and its resellers for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2017. (DOUG EVANSON – SREE PULAPAKA)

20. A Resolution approving the recommendation of Wells Fargo Insurance Service USA, Inc. for the comprehensive commercial insurance program in the amount not to exceed $1,032,315.00 for the period ending December 31, 2017. (SHARON DE LA GARZA)

21. A Resolution approving an extension of a contract with various temporary employment agencies in an amount not to exceed $1,113,311.00 for the period of January 1, 2017 through December 31, 2017 in connection with temporary employment services. (SHARON DE LA GARZA)

22. A Resolution approving the expenditure of funds to purchase placement with media outlets and develop advertising materials in an amount not to exceed $272,250.00 in the aggregate from the Communications & External Relations budget for the period of January 1, 2017 through December 31, 2017. (GAVINO RAMOS – ANNE HAYDEN)

23. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $30,000.00 payable to Blonde Creative LLC and to extend the term of the existing contract for the period of December 23, 2016 through January 31, 2017 for additional services related to advertising development and/or graphic design services. (GAVINO RAMOS – ANNE HAYDEN)

24. A Resolution approving an agreement with the City of San Antonio for support of the Coal Tar Sealant Ban Support. (STEVE CLOUSE – SCOTT HALTY)

25. A Resolution approving the Internal Audit Risk Assessment and 2017 Annual Audit Plan of the San Antonio Water System. (STACEY ISENBERG)
26. A Resolution adopting revisions to the Investment Policy of the San Antonio Water System pursuant to the guidelines established in the City of San Antonio’s Ordinance No. 75686 and the provisions of the Public Funds Investment Act. (DOUG EVANSON)

27. A Resolution authorizing a Letter of Engagement with Ruben Barrera of the Law Firm of Langley & Banack, Inc. in an amount not to exceed $165,000.00 to act as Special Counsel to the Board for the 2017 Calendar Year. (BERTO GUERRA, JR., CHAIRMAN – ANDREA BEYMER)

28. PUBLIC HEARING: 2017 ANNUAL BUDGET
   A. Public Hearing Briefing (MARY BAILEY)
   B. Public Hearing on the Following Items:
      1. Annual Budget for the San Antonio Water System for the Fiscal Year ending December 31, 2017

29. Public Comment.

ITEMS FOR INDIVIDUAL CONSIDERATION

30. A Resolution approving the annual budget for the fiscal year ending December 31, 2017, authorizing expenditures in an amount not to exceed $13,065,620.00 for the owner controlled construction changes for the fiscal year ending December 31, 2017, approving adjustments to all water delivery, water supply fee, wastewater and recycled water rates necessary to support the approved annual budget for the fiscal year ending December 31, 2017, finding that all required conditions for full integration of the District Special Project with SAWS have been met, and repealing the District Special Project rates as of January 1, 2017. (MARY BAILEY)

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

31. A Resolution awarding a construction contract to SAK Construction, LLC in an amount not to exceed $2,275,490.00 in connection with the C13 Broadway Corridor Project Packages 2C and 4C. (GENOVEVA GOMEZ – KATHLEEN PRICE)

32. A Resolution awarding a construction contract to SAK Construction, LLC in an amount not to exceed $2,082,547.00 in connection with the Castroville Rd. 48-inch Rehab Project, DR # 144. (GENOVEVA GOMEZ – KATHLEEN PRICE)
33. A Resolution awarding a construction contract to Texas Pride Utilities, LLC in an amount not to exceed $2,241,165.00 in connection with the East Sewershed Package II Project. (GENOVEVA GOMEZ – KATHLEEN PRICE)

34. A Resolution awarding a construction contract to IPR South Central, LLC in an amount not to exceed $2,132,891.23 in connection with the Olmos Basin Central Watershed Sewer Relief Line C3 Project – Sewer Rehabilitation at the University of Incarnate Word. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Production, Transmission and Treatment Improvements

35. A Resolution awarding a construction contract to Archer Western Contractors, LLC in the amount not to exceed $13,657,000.00 in connection with the 34th Street Pump Station Improvements Project. (GENOVEVA GOMEZ – ASHOK KAJI)

36. A Resolution awarding a construction contract to Alterman, Inc. in the amount not to exceed $13,322,100.00 in connection with the Dos Rios Water Recycling Center Electrical System Improvements – Phase 1 Project; authorizing additional expenditures in an amount not to exceed $197,295.00 to CP&Y, Inc. for construction phase services in connection with the project work. Total expenditures: $13,519,395.00. (GENOVEVA GOMEZ – ASHOK KAJI)

37. A Resolution awarding a professional services contract to Tetra Tech, Inc. in the amount not to exceed $3,293,337.00 in connection with the Water Resources Integration Program, Phase 2 Pump Station Improvements Project. (GENOVEVA GOMEZ – MICHAEL MYERS)

38. A Resolution awarding a construction contract to Prime Controls, LP in an amount not to exceed $2,195,332.00 in connection with the Chilled Water System Communication and Controls Replacement Project; authorizing additional expenditures in an amount not to exceed $141,344.00 to Energy Engineering Associates, Inc. for construction phase services in connection with the project work. Total expenditures: $2,336,676.00. (JEFF HABY – DANIEL MYERS)

39. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Vista Ridge Project
   B. Briefing and deliberation regarding the SAWS H2Oaks Desalination Facility
   C. Briefing and deliberation regarding the Board Agenda Process

40. President/Chief Executive Officer’s Report.
   A. Quintana Road Emergency Project
   B. Conservation Agreements
   C. Proposed Revisions to Board Agenda Process
41. Inquiries of the Board of Trustees for future briefings and/or follow-up action.

42. The Regular Session of the December 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.

43. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding legal matters related to the emergency sewer project on Quintana Road, San Antonio, Texas pursuant to Section 551.071 of the Texas Government Code.

44. The Regular Session of the Regular Board Meeting of December 14, 2016, is hereby reconvened.

45. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF DECEMBER 14, 2016, IS HEREBY ADJOURNED.
MINUTES

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
October 4, 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
Louis E. Rowe, Assistant Secretary
Pat Merritt, Trustee
David P. McGee, Trustee

Board Members Absent:
Ernesto Arrellano, Jr., Secretary

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on October 4, 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 August 2, 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.

None

**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 Xylem Water Solutions to provide: purchase of a submersible non-clog sewage pump for the Medio Creek Water Recycling Center, Bid No. 16-16075A, for a total of $59,592.12.

2. Approving a one-time purchase from Halifax Security, Inc. to provide: purchase of security cameras, video recorders and accessories for maintenance, repair, replacement and improvement of existing equipment, Bid No. 16-16085, for a total of $100,780.00.

3. Approving a one-time purchase from Equipment Depot to provide: purchase of three forklifts with pneumatic tires 10,000 capacity, Bid No. 16-16091, for a total of $125,970.00.

4. Approving a one-time purchase from RDO Equipment to provide: purchase of one crawler dozer, Bid No. 16-16094, for a total of $157,956.82.

5. Approving a one-time purchase from JCB of South Texas to provide: purchase of one four-wheel-drive rubber tire, articulated loader (4 cubic yard), Bid No. 16-16092, for a total of $179,364.67.

6. Approving a one-time purchase from Hobas Pipe USA to provide: purchase of 36-inch fiberglass reinforced sewer pipe (SN-46), Bid No. 16-16090, for a total of $562,900.00.

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 a sole source bid of Verizon to provide: annual contract for private IP network support, Bid No. 16-16103, for a total of $60,394.68.

2. Acceptance of the bid of U.S. Peroxide, LLC to provide: annual contract for 50% hydrogen peroxide solution, Bid No. 16-0421, for a total of $510,400.00.

3. Acceptance of the bid of Gerloff Company, Inc. to provide: annual contract for sewer backup response services, Bid No. 16-16009, for a total of $69,762.38.

4. Authorizing the extension of an existing contract of BFI Waste Systems of North America, LLC to provide: annual contract for landfilling of biosolids, Bid No. 10-0791, for a total of $2,828,314.52.

5. Authorizing the extension of an existing contract of Bio-Aquatic Testing, Inc. to provide: annual contract for biomonitoring analytical services, Bid No. 13-3014, for a total of $55,845.00.

6. Authorizing the extension of an existing contract of Compact Construction Equipment dba Bobcat of San Antonio to provide: annual contract for Melroe-Clark Bobcat parts and service, Bid No. 14-0199, for a total of $71,420.19.

7. Authorizing the extension of an existing contract of Xerox Corporation to provide: annual contract for Xerox printer toner supplies, Bid No. 15-1318, for a total of $56,140.00.

8. Authorizing the extension of an existing contract of HD Supply Waterworks, Ltd. to provide: annual contract for copper tubing size HDPE DR-9 pipe, Bid No. 14-1417, for a total of $66,837.10.

9. Authorizing additional funding to an existing contract of J.R.’s Plumbing to provide: annual contract for plumbing contractors for the Plumber to People and Conservation Make Over Program, Bid No. 14-1165, for a total of $69,950.00.

10. Acceptance of the bid of Austin Armature Works to provide: annual contract for wastewater submersible pump unit repair services, Bid No. 16-5053, for a total of $666,850.00.

11. Rescinding the award of the contract from Praxair Distribution to provide: annual contract for liquid carbon dioxide (99.5%), Bid No. 16-16057A, for a total return of ($313,707.60). Approved on August 2, 2016 by Board Resolution No. 16-180, Item 6.B.5.

12. Acceptance of the bid of Airgas USA, LLC to provide: annual contract for liquid carbon dioxide (99.5%), Bid No. 16-16057A, for a total of $348,564.00.

13. Authorizing the extension of an existing sole source contract of CalAmp Radio Satellite Integrators to provide: annual contract for GPS tracking system monitoring, Bid No. 16-16030, for a total of $78,080.00.
CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Water and Sewer Line Improvements

7. A Resolution approving Recapitulation Change Order No. 16 in an decreased amount of $119,520.57 to be credited to the construction contract with MGC Contractors, Inc. in connection with the Crescent Park Booster Station Project; authorizing the return of funds in the amount of $119,520.57 and the construction contingency balance of $2,295.89 for a total amount of $121,816.46. Total decreased amount: $121,816.46. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Production, Transmission and Treatment Improvements

8. A Resolution approving Change Order No. 7 in the amount not to exceed $684,056.00 to the construction contract with Archer Western Construction, LLC in connection with the Water Resources Integration Program Old Pearsall Road Pump Station Phase 1 Project. Total expenditures: $684,056.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

9. A Resolution approving Contract Amendment No. 8 in the amount not to exceed $272,724.00 to the professional services contract with Black & Veatch Corporation in connection with the Water Resources Integration Program, Project 2: Pump Station Project. Total expenditures: $272,724.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

10. A Resolution approving the expenditure of funds in the amount of $135,259.25 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the 2016-2017 Task Order Contract for Miscellaneous Construction Projects Package 1. Total expenditures: $135,259.25. (GENOVEVA GOMEZ – KATHLEEN PRICE)

11. A Resolution approving the expenditure of funds in the amount of $61,250.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the 2016-2017 Task Order Contract for Federally Funded Projects Package 3. Total expenditures: $61,250.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

12. A Resolution approving the expenditure of funds in the amount of $249,621.38 for the street concrete pavement of South Alamo Street by the City of San Antonio in connection with the Central Watershed Sewer Relief Line (C-01) Project. Total expenditures: $249,621.38. (GENOVEVA GOMEZ – KATHLEEN PRICE)

13. A Resolution approving an Interlocal Agreement with Bexar County; approving the expenditures of funds in the amount of $121,556.71 for the adjustment of water and
sewer facilities by Bexar County in connection with the French Creek Trib NWWC LC-23 Project. Total expenditures: $121,556.71. (GENOVEVA GOMEZ – KATHLEEN PRICE)

14. A Resolution approving an Interlocal Agreement with Bexar County; approving the expenditures of funds in the amount of $1,190,065.25 for the adjustment of water and sewer facilities by Bexar County in connection with the Perrin Beitel Bridge Expansion (SC-9) Project. Total expenditures: $1,190,065.25. (GENOVEVA GOMEZ – KATHLEEN PRICE)

EASEMENT AND REAL PROPERTY

15. A Resolution approving a settlement and authorizing acceptance of a $375,000.00 overage payment to the San Antonio Water System in settlement of litigation between the System and Lin Indrio, Inc., et al, in connection with the acquisition of two permanent waterline easements being approximately 2.874 acres in the aggregate located along Cagnon Road, at Spurs Ranch Road, north of Hwy 90 in San Antonio, Bexar County, Texas, owned by Lin Indrio, Inc., for the Water Resources Integration Program, Project I, Segment III; authorizing the System’s counsel to take all necessary steps to conclude the litigation in accordance with the terms of the settlement and take all necessary or advisable action in furtherance of same. Total amount returned: $375,000.00. (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

16. A Resolution awarding a professional services contract to Arcadis, Inc. in an amount not to exceed $100,000.00 for a three-year period in connection with Water Quality Consultant Services. Total expenditures: $100,000.00. (STEVE CLOUSE – SCOTT HALTY)


18. A Resolution approving an Interlocal Agreement with the City of Selma to provide sewer billing services. (MARY BAILEY)

19. 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)
Chairman Guerra asked if there any items in the Consent Agenda that should be pulled for individual discussion or consideration.

Ms. Jasso made a motion to approve the Consent Agenda Items, Nos. 6 – 19. Mr. Rowe seconded the motion.

Consent Agenda Items, Nos. 6 – 19, were unanimously approved. Verbal voting.

Chairman Guerra moved to Item 20, the Public Hearing of the 2017 Annual Budget for the San Antonio Water System.

20. PUBLIC HEARING: 2017 ANNUAL BUDGET
A. Public Hearing Briefing (MARY BAILEY)
B. Public Hearing on the Annual Budget for the San Antonio Water System for the Fiscal Year ending December 31, 2017 and proposed rate adjustments.

Mary Bailey stated this was the first public hearing on the 2017 budget and associated rate request of 6.8 percent. When the 2016 budget and rate request were approved last year, City Council granted the approval for a rate adjustment of up to 7.9 percent for 2017. This was contingent upon review by the Public Utilities Office of the final 2017 rate adjustment. The adjustments could go into effect without further action by City Council.

She discussed how the rate request would provide the necessary funds for operational and capital requirements. It would allow for the successful integration of the former BexarMet by completing the final step of integration, which was rate parity, and strengthened SAWS financial metrics and supported a strong credit rating. Two-thirds of the rate adjustment would support the 2017 Capital Improvements Program (CIP). Forty percent would be directed towards wastewater activities, and over $171 million was expected to be spent in sewer main replacements as well as lift station improvements as required under the Consent Decree. Additionally, $6 million in treatment plant upgrades would be made. Nineteen percent of the rate adjustment would be used to fund the capital improvements necessary to
integrate Vista Ridge water supplies by 2020. Additional funds provided by the water supply rate adjustment would support the operation of the desalination plant as well as acquire additional water from the Schertz-Seguin Local Government Corporation (SSLGC), and would add almost 16,000 acre-feet to the water portfolio in 2017. The remaining 41 percent of the rate increase would provide funds needed to make necessary capital improvement on the water system.

She reviewed the process to develop the annual budget as prescribed by the founding ordinance. Essentially, gross revenues must be sufficient to pay the operations and maintenance of the system, cover all debt service and reserve fund requirements, fund the transfer to the City, and then, finally create a sufficient surplus of funds that could be transferred to the renewal and replacement (R&R) fund.

The 2017 proposed budget was in accordance with and well prescribed by the debt ordinance. Additional revenue in the amount of $38.7 was required in order to provide sufficient gross revenues to cover projected uses of funds in 2017. This would equate to the rate adjustment of 6.8 percent for the average residential customer. Operating revenues were expected to be slightly lower than projected for 2016 before any rate adjustments. The increase in non-operating revenues and other income was primarily related to the increase in short-term interest rates. Capital recovery fees and impact fees had been very strong in the last few years. Based on an average impact fee of about $7,100 per Equivalent Dwelling Unit (EDU), it was projected that SAWS would provide service to an additional 7,900 EDUs or what equates to approximately 23,000 individuals in 2017. With the revenue provided from the rate adjustment, sources of funds would total $720.7 million in 2017, and would be used for operating and maintenance expenses of $324.1 million, debt service and expenses of $224.1 million, transfer to the City of $16.8 million, and R&R funds to cash fund capital expenditures in 2018 and beyond. She pointed out that the budget for the debt service payment was very conservative, and assumed that all debt needed to fund the current capital program, in addition to 2017 projects, had been issued as of January 1, 2017. Because project expenditures generally occur over a two to three-year period, debt would not be funded until the funds were actually needed. Therefore, a favorable variance would result by the end of the year, and any potential savings from refinancing during the year would not be incorporated. As a result, a favorable to budget of about $17 million was expected. This was beneficial to SAWS because it would help increase SAWS debt coverage ratio, and unspent funds would generate more cash that could be used to cash fund in the future and keep rates lower. The amount transferred to unrestricted R&R each year was the primary driver of the debt coverage ratio. In 2017, $97 million was budgeted to generate a debt coverage ratio of approximately 1.5 times total debt service, and the goal for debt coverage was 1.7 to 1.75 in order to support the strong credit ratings.

She reviewed the assumptions for projected operating revenues for 2017. Water connections were expected to increase 1.4 percent and sewer connections to increase 1.6 percent. Total water use was a little bit less predictable in customer growth. Due to conservation efforts, there had been a significant drop in average water use per customer over time. However, the average usage could swing dramatically up or down in any given year due primarily to weather. The 2017 proposed budget assumed the average water usage would be slightly below the 2016 budget projections. Customers may actually use more water if the weather returned to normal, but any additional revenue generated as a result would be used to cash
fund CIP in the future and help keep rates lower.

She reviewed a breakdown of the $364 million of operating and maintenance expenses for 2017. Personnel made up 44 percent of the expenses, and total wages were expected to increase $5.2 million. An additional 39 positions were expected to bring the total to 1,869. Over the last few years, SAWS actively reviewed all filled positions and challenged the need to fill positions as employees retired or otherwise left employment. Of the 39 additional positions, 19 were essentially replacing contract resources that were determined to be needed on a long term basis. The largest number of positions added were in Customer Service. While these positions have been included in the 2017 budget, many additional resources were added in late 2015 or early 2016 in response to some of the difficulties in the customer service area. About $3 million had been allocated to provide wage adjustments, and approximately $750,000.00 would be used to adjust the living wage to $14 per hour to take effect on January 1, 2017. While wages were increasing, the actual benefits provided to employees was decreasing. SAWS made changes to health benefits that would increase deductibles and co-pays as well as premium viability. Additionally, the changes made in the retirement benefits over the last few years had stabilized the retirement expense.

The remainder of the operating and maintenance expenses were primarily related to new water supplies. The desalination plant would be online fully in 2017, and would provide 13,441 acre-feet annually from phase 1. The additional 2,500 acre-feet of water purchased from SSLGC would cost about $2.5 million. Another $2.1 million was programmed in 2017 for technical advisors and other resources necessary to monitoring the progress of the Vista Ridge pipeline.

Additional resources were included to support the SSO initiatives. She reviewed operating activities under the Consent Decree such as line cleaning and televising that were meant to not only clean and maintain the system, but also used to assess the capital program needed to address issues. About $4 million was redirected to manhole rehabilitation, which were shown to be tied to significant inflow during storm events. Under the terms of the Consent Decree, SAWS was required to decrease inflows by at least 30 percent. A reduction of this amount or more would significantly reduce the amount of capital investment required to address capacity issues in the sewer system.

Some of the other important initiatives in 2017 included non-revenue water, conservation programs, proactive water planning, and customer service technology enhancements. Over $14 million would be invested to address leak detections, line repairs, and meter replacements. The proposed budget also included $3.7 million in direct program conservation spending in order to demonstrate continued commitment to conservation. These dedicated funds would be used to provide rebate coupons for water-saver landscaping options and patio-scape replacements, irrigation consultations and rebates, and commercial customer rebates. Innovative technology and services to assess the condition of larger diameter water pipe was included in the proposed budget, and would be utilized to identify isolated areas of pipe deterioration so the repair or replacement activities could be more targeted. Finally, Customer Service technology enhancements would be included to improve customer engagement channels such as web chat and voice and text messaging to enable customers to use a communication approach that worked best for them. Some of the funds would also be directed towards updating an AMI assessment.
She discussed the CIP that was expected to be $367.5 million. It included more than $140 million directly related to the Consent Decree, $112 million of infrastructure necessary to accommodate the 50,000 acre-feet of Vista Ridge water in 2020, more than $46 million in main replacement associated with the City's Bond Program and other governmental entity projects, and $28 million in production and treatment plant upgrades. The Owner Controlled Construction Changes was allocated at $13.1 million for changes required to any outstanding construction contract. Cash funding of the CIP was projected to be 42 percent of the overall program.

As of January 1, the final step of the integration process for BexarMet customers would be complete with the integration to SAWS rate schedule. Some of the highlights of the integration process included there had been no water rate increases for DPS customers since 2010. Moving to SAWS rates would mean that commercial customers would likely see a rate reduction, while some residential customers may experience some increase in rates. A number of major supply and operational challenges were resolved, and the refinancing of debt generated a net present value savings of over $17 million. In addition, there were millions of dollars of operational savings over the last few years that have benefited both SAWS and the former BexarMet customers.

She discussed the importance of affordability by providing an important life sustaining resource to the community at affordable prices. Efforts in 2016 were increased to help the customers most in need of financial assistance. Targeting outreach to keys zip codes, holding strategic affordability events, streamlining qualification process, and facilitating a mail-in application all helped to increase the number of people served under the Affordability Program. Total assistance in 2017 was expected to be $3.9 million or 30 percent more than the 2016 budget. Another $200,000.00 of Project Agua funds would be provided to help low-income customers keep their water turned on when facing difficult hardships. Another $300,000.00 would be provided to assist low-income customers repair leaks and thereby reduce their water bills even further. She reviewed the affordability discounts by poverty level and percentage of average bill.

She discussed the rate impact on the bill by rate blocks for the residential customers. She pointed out that 60 percent of the customers would see a bill increase of about $3 or less as a result of the rate adjustment. When compared to other large cities in Texas, SAWS rates remained among the lowest in the state. The 2017 rate adjustment would put SAWS bills slightly higher than Dallas, but less than all the other major cities.

Next steps included customer bill inserts with the required rate notification. A number of public meetings would be held across the city during the month of October. A second public hearing would be held at either the Board Meeting in November or December, at which time the Board would be asked to formally vote on the proposed budget and rate adjustment. The Public Utilities Office with the City was reviewing the budget and rate request, and would present their findings and recommendation in B Session on November 9. Once the rate adjustment for 2017 had been approved, the new rates would take effect on January 1 and would be reflected in customer bills beginning in February.

Mr. Puente commented that the requested increase of 6.8 percent was 1.1 percent under the
previously approved amount of 7.9 percent by City Council. He stated this was a reflection of the leadership of this Board, and particularly the Chairman, who encouraged staff to make an impression upon City Council and the community by continuously improving, continuously looking at efficiencies to be better. SAWS would still be able to provide 30 percent more money in the Affordability Program to help over 20,000 families. SAWS would cash fund up to 42 percent of the CIP to make sure the debt service stayed as low as possible. In addition, all employees would be paid at least $14 an hour, which was very meaningful to a lot of the entry-level employees.

Mr. McGee asked if there were additional productivity metrics that were included in measuring the performance of employees to ensure more efficiencies were achieved. Ms. Bailey confirmed and discussed the efforts of the Continuous Innovation and Improvements group that would identify and document the metrics of increased efficiency. She stated she would have some of the more significant metric available for the next briefing to the Board.

Mr. Puente added that the PARC committee was set up to review vacancies before the vacancy was filled to justify the replacement of an individual. The departments would be required to demonstrate an improved efficiency in their department.

Chairman Guerra stated no one had signed up to speak regarding the proposed 2017 annual budget; therefore, he closed the public hearing.

ITEMS FOR INDIVIDUAL CONSIDERATION

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

21. A Resolution approving the San Antonio Water System to prepare and enter into a Settlement Agreement with the Cibolo Valley Partners, LLC and the South Central Water Company to allow the South Central Water Company to serve the area within Comal County bounded by the Cibolo Valley Ranch Tract and currently within the System’s Certificate of Convenience and Necessity (CCN); recommending the City of San Antonio to consent to the South Central Water Company’s CCN application for the area within Comal County bounded by the Cibolo Valley Ranch Tract from the System’s wastewater CCN. (GENOVEVA GOMEZ – SAM MILLS)

Sam Mills presented Item 21 regarding the CCN Amendment for the Cibolo Valley Ranch Tract. The Cibolo Valley Ranch Tract was a 498 acre tract of which 394 acres was within SAWS CCN. He reviewed a map of the overall area that included the City's ETJ boundary and SAWS CCN boundary. The north boundary of the tract was the South Central Water Company's CCN. The developer had request that SAWS relinquish a portion of the wastewater CCN so that the tract could be served through that South Central Water Company. The area proposed to be released was the portion of the tract within Comal County. The portion located within Bexar County would stay within SAWS CCN.
He discussed some of the current issues and proposed resolution for the release of the CCN. The developer had request service from the South Central Water Company’s existing plant. This tract was over the recharge and contributing zone. About 394 acres of the overall 498 acre tract was within SAWS CCN, and about 315 acres was within Comal County. The SAWS Board approved the filing of a CCN conditional release for the portion of the tract within SAWS CCN. The next step would be to prepare the settlement agreement that conveyed all of the conditions required for the release. One of the conditions was SAWS would have no obligation to serve the tract in the future. Once the settlement agreement was completed, South Central Water Company would submit an application to serve the tract through the Public Utility Commission (PUC). The PUC would then ask the City of San Antonio for consent to allow South Central Water Company to serve the tract in the future.

Conditions for release included aquifer protection standards that must be followed. Only residential land use would be allowed at maximum impervious cover of 40 percent for the portion within the City’s ETJ. The creek proper and 100 year floodplain would be excluded from the final impervious cover calculations. TCEQ EARZ best management practices would need to be applied to the whole tract. The process through SAWS for the approval authority of the State Water Pollution Abatement Plan would need to be followed. South Central Water Company would need to build the whole collection system to SAWS standards, and would not be able to amend the plant permit to seek less restrictive conditions. Finally, SAWS would not have an obligation to serve the tract or take over the plant from South Central Water Company in the future.

Staff recommended approval of the settlement agreement between SAWS, Cibolo Valley Partners, LLC and South Central Water Company, as well as approval to recommend to the City of San Antonio to consent to a CCN application that would be filed by South Central Water Company upon the conditional release of SAWS CCN.

Ms. Merritt made a motion to approve Item 21. Ms. Jasso seconded the motion.

Mr. Puente introduced Kara Tackett, with Pape-Dawson Engineering. Ms. Tackett stated she represented the landowner. Since the last board meeting, they had been working with staff and attorneys on the settlement agreement to outline all the conditions that were agreed to by the landowner.

After no further discussion, Item 21 was unanimously approved. Electronic voting.

Water and Sewer Line Improvements

22. A Resolution awarding a construction contract to Insituform Technologies, LLC in an amount not to exceed $2,572,870.00 in connection with the San Antonio River Outfall – Project 2A. Total expenditures: $2,572,870.00.

(GENOVEVA GOMEZ – KATHLEEN PRICE)

Patrick O’Connor presented Item 22, the award of a construction contract for the San Antonio River Outfall (SARO) Project 2A. The project was identified in the EPA Consent Decree to be complete by July 2018. The large diameter sewer pipeline was in poor condition and had experienced several failures. He reviewed the project location in southeast Bexar County and the alignment of the pipeline. The 48-inch diameter sewer pipeline not only provided
sewer service to customers, but it also served as a relief line for the lift station to route flows.
The overall project was composed of four phases. The Southton Road Emergency Project
was completed in 2012 to address failures. The SARO 1 Project was nearing completion, and the SARO 2B Project was under construction and scheduled to be complete in 2017. The SARO 2A Project was presented for award and was scheduled to be complete in 2017.

The SARO 2A Project ran through the McCreless Meadows and Harry Jones neighborhoods. Therefore, the design approach for this segment differed from the other phases. While the others used primarily open cut construction methods, this project would use cured-in-place pipe construction to minimize the impact on the many residents in these neighborhoods.

He reviewed the bid results. Eight bids were received, and Insituform Technologies, LLC had the low bid of about $2.6 million. The design engineer was Freese and Nichols, Inc. The low bid was about 34 percent below the engineer's estimate, and the total SMWB participation for the project was 17 percent. SAWS engineering staff would inspect the work. Staff recommended the award of construction contract to Insituform Technologies, LLC, and approval of funds in the amount of $2,572,870.00 for the construction contract.

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

Ms. Jasso asked if the construction would be complete by next year. Mr. O’Connor confirmed.

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

**MISCELLANEOUS ITEMS**

23. A Resolution awarding a professional services contract to Pure Technologies U.S., Inc. in an amount not to exceed $2,537,000.00 for the period of October 5, 2016 to December 31, 2019 in connection with Condition and Risk Assessment of Pressurized Water Pipelines. Total expenditures: $2,537,000.00. (GENOVEVA GOMEZ – SAM MILLS)

Linda Bevis presented Item 23, a professional services contract for the Condition and Risk Assessment of Pressurized Water Pipelines. The contract would be utilized within the Large Diameter Water Main Condition Assessment Program. The purpose of the program was to address aging infrastructure throughout the city. The program would reduce water loss, reduce risk of water main failure, and avoid full scale pipeline replacement projects.

She discussed how much easier the approach was to assess sewer pipe that was non-pressurized. The water system required a much more challenging approach because of the pressurized nature of the water system. There were areas of San Antonio that were upwards of 100 points per square inch (psi) pressure inside the pipelines. Advanced technology was required to enter those pipes. The majority of the pipes were the major conveyance lines throughout the city, and had to stay in service. The large diameter pipelines, 16-inch and larger, produced the vast majority of SAWS water there was a vested interest to keep those assets in top condition for the conveyance of water to the customers. The current evaluation techniques were a desktop-type evaluation that considered the age of the pipe, the number of leaks and the number of main breaks.
She discussed the cost effective approach to assess the large diameter pipes. New tools and technologies would allow access to entry points to look inside the pipeline and make informed decisions as well as target pipe-by-pipe approach for the replacement or rehabilitation of the pipes. SAWS would partner with a consultant due to the new technology, and evaluate whether the services could be brought in-house in the future.

She reviewed some of the different types of failures possible that added up to water loss for the system, and discussed one of the unfortunately events in a 48-inch pipe discovered right around the holidays.

Due to the different pipe materials and different diameters of pipe, there were technologies available to assess the pipe. Robotics could be deployed within a fully functional pipe, or depressurized pipe, or de-watered pipe. Another one of the technologies was an acoustical component called a Sahara. The Sahara had a little parachute that used the flow inside the pipeline to carry the device through. The Sahara would collect video images as it went through the pipe. Another technology was the SmartBall, which was an acoustic leak and air pocket detection device. The PipeDiver was another technology that used electromagnetic inspection to assess the pipe. She played videos that demonstrated the use of the SmartBall and the PipeDiver.

She stated there were two firms that responded to the RFQ. Staff recommended the award of the professional services contract to Pure Technologies, U.S. Inc. for a one-year contract period with three extension options. The overall contract amount was $2.5 million, and the 2016 funding would be in the amount of $600,000.00 with subsequent years to be funded by the Board’s approval of the O&M budget.

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

Chairman Guerra inquired about the average psi for a residential area and how lower pressures were increased. Ms. Bevis explained the wide variety of elevations within the system and the effect this had on the pressure zones. Average pressure was a hard number to pinpoint because it varied so much. The pressure zones were designed to be between 56 psi and 75 psi. She stated it would be very difficult to change the pressure without changing the infrastructure that served the pressure zone.

Chairman Guerra asked how the equipment was inserted into the pressurized pipe without losing water. Ms. Bevis replied that a planned outlet had to be constructed by SAWS prior to the technology being deployed and data collected. A planned outlet included an upper and lower valve within the pipe. The upper valve was opened, the technology inserted, the upper valve closed, and then the lower value opened to insert the technology into the pipe.

Chairman Guerra asked if these technologies allowed staff to proactively look into SAWS 6,000 miles of pipe. Ms. Bevis responded the advanced technologies would complement what was done in the Distribution and Collections area, which were more focused on smaller pipelines. Equally as important, but the technologies that were available and were used currently did not address leaks in larger diameter pipes.

Chairman Guerra asked if customers had a way to test psi in any particular neighborhood.
Ms. Bevis stated any home improvement store had pressure gauges available that could be hooked on to the outside hose bin to tell what pressure was coming to the house. The San Antonio Plumbing Code dictated that anything over 80 psi required the installation of a pressure reducing valve, and commercial installation and irrigation systems required a backflow prevention device. Every component between the customer’s home and the water main could add losses, which would result in a lowering of the pressure. Also, if one of those devices malfunctioned, it could significantly affect the pressure experienced.

Mr. Clouse commented there were a lot of things that happened between the SAWS main and the customer’s home. There were things that the customers could buy at retail stores, and the customer could call SAWS to set up a pressure logger on a nearby fire hydrant, for example, and a pressure logger on the home to get a record of the pressure.

Mr. Rowe inquired about where the acoustic SmartBall would be used and the electromagnetic PipeDiver would be used. Ms. Bevis replied each technology collected different types of information and worked in concert with one another. A layered approach would be used. Where a pipeline showed issues using this acoustic technology, a more detailed look may be needed, and the more advanced technologies like the electromagnetic device or maybe even a manned inspection would be used.

Ms. Merritt asked what various kinds of data was collected with the devices. Ms. Bevis responded the presence of a leak, the presence of an air pocket, or the deterioration or corrosion of a pipe could be detected. Generally, sewer pipes would corrode from the inside out, and water pipes tend to corrode from the outside in. These advanced technologies provide information to tell how significant a corrosion cell could be, which could end up being a leak, and then end up with a more catastrophic failure.

Mr. McGee stated this was really cool. He asked what other water systems were using this technology. Ms. Bevis replied the major cities were just getting started. This was cutting edge for SAWS and would put SAWS in front of the other major cities.

Mr. McGee inquired about how the new technology would benefit and save money for SAWS and for the ratepayers. Ms. Bevis replied the corrosion was generally not the entire pipe. Without eyes in the pipe, SAWS could unknowingly replace 90 percent of pipe that still had many years of useful life.

Chairman Guerra thanked Ms. Bevis for the presentation, and stated she did an outstanding job for her first time presenting to the Board.

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

Ms. Jasso stated it was obvious Ms. Bevis loved her work, and she did an outstanding job. She asked Ms. Bevis to share her history with SAWS. Ms. Bevis responded she had been lucky to get the opportunity to work in Production. The first position she held at SAWS was a clerk typist in the engineering area. She worked closely with the director in place at the time, and he was an incredible mentor. She stated she went to school full-time and worked full-time while at SAWS, and received her degree from UTSA.
24. **BRIEFING SESSION.**

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

Donovan Burton gave a briefing regarding the Vista Ridge Project. He reviewed the project timeline and the ongoing work with the project company, Garney. The project was in the development phase and working to get to financial close. Once financial close was achieved, the construction phase of the project would begin, which was estimated at 54 months or a little less than a four-year process to construct the pipeline. During this time, the integration project would also be constructed.

To get through the development phase, Article 4 of the Water Transmission and Purchase Agreement (WTPA) had about 26 different conditions that the project company needed to satisfy before receiving lending from the banks. In addition, the banks had about 30 pages of requirements of the project company before they would lend over $800 million. He reviewed some of the conditions Garney was working to meet for financial close. Garney had to get rights-of-way, governmental approvals, and all sorts of financial documents. Resolution of the outstanding legal processes was needed as well as different legal opinions and certificates of satisfaction for some of the Article 4 conditions. There were several intra- and inter-party agreements between the two entities and other different articles.

He discussed some possible modifications to the Article 4 conditions to change the timeframes but all consistent with WTPA. One was an executed contract with the operating service provider. Garney had that ability in the contract, but may potentially bring in another partner to do the day-to-day operations. In the last version of the amended contract, Garney would be allowed to sign that agreement with the operating service provider no later than 18 months prior to commercial operation, but Article 4 stated it needed to be done by financial close. This would be a conforming amendment with the rest of the WTPA.

Another modification would be well site property acquisition. Garney was required to get all the properties and permits associated with the well sites. The sites were already secured working with the landowners and the permits were in place, but Garney had expressed some desire to potentially move some of the well locations for hydraulic reasons. Garney would be allowed to work with the landowners to finalize the well sites, and the suggested modification would be to allow that to be complete by summer of 2017. This real estate acquisition transaction would be in line with the other right-of-way issues.

The groundwater transportation permit was another consideration. The groundwater district had one permit to drill and produce the water, and the other permit was to transport the water outside of the district. The transportation permit was good through 2034. The groundwater district filed with the legislature, and put in place a mechanism to have an automatic administrative renewal of the permits. The suggested modification would be to put additional incentives for Garney to get that done before commercial operations, and get the transport permits extended through the entire life of the WTPA. Additional protections would be put in place to make sure that if this was not done by commercial operations or even closer to the 2034 timeframe that SAWS would get some financial credits. The risk remained with the project company.

The other possible modification was the terminus site. The terminus site was where the water transport permit was located. Garney had potential hydraulic issues with one of the well locations and the terminus site. The suggested modification would be to allow that to be completed by summer of 2017. This real estate acquisition transaction would be in line with the other right-of-way issues.
would be delivered in north Bexar County. Alternatives were being explored with Garney, Black & Veatch, and internal staff. There was a potential to reduce the cost by operating efficiencies on the site. Originally, the project company would buy the site, and SAWS would build facilities right next to their facilities. Staff would continue to discuss this modification. As soon as an appropriate alternative was found, staff could come back to the Board with that alternative. In the meantime, Garney would need to deliver a survey and a site plan as it was already structured at financial close. This would be consistent with the WTPA, but would also provide an opportunity to find more cost reductions and operating efficiencies.

He reviewed the next steps to continue due diligence with the project company, and continue further discussions on the modifications. Any changes would keep the tenants of risk with the project company. Any change would also come back to the Board for consideration of an amendment to the WTPA as well as the ability to get to financial close before the end of the year.

Chairman Guerra commented that all through the negotiations with Abengoa and now with Garney, the risk was on the project company. He thanked SAWS team and Garney for the hours and hours spent in those discussions. He asked that everyone continue to work together as a team to move the project forward for the city.

Mr. Rowe thanked the Chairman for his effort in helping make this project happen.

Mr. Burton stated Scott Parish was there if anyone had any questions for Garney. Chairman Guerra thanked Mr. Parish for attending.

Ms. Merritt asked who was responsible for overseeing the financial disclosures. Mr. Burton responded there were a lot of people involved in these discussions. The documents were reviewed from a legal, financial, and technical perspective to make sure that everyone was in agreement and the conditions satisfied. Internal to SAWS there were 10 or 15 people that reviewed these different documents. There were a number of financial advisors and lawyers on the bank side that were reviewing these documents as well.

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

Mr. Rowe requested a briefing on the different manholes used to address leaks in the system.

At this point in the meeting, an Executive Session was held. The time was 10:43 a.m.

26. The Regular Session of the October 4, 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.

27. EXECUTIVE SESSION.

A. Consultation with attorneys regarding legal issues related to the Water Transmission and Purchase Agreement between the City of San Antonio, Texas, acting by and through the San Antonio Water System Board of Trustees and
Vista Ridge, LLC (formerly known as Abengoa Vista Ridge, LLC) pursuant to Tex. Gov’t Code §551.071 (consultation with attorneys).

28. **The Regular Session of the Regular Board Meeting of October 4, 2016, is hereby reconvened.**

The meeting reconvened at 11:14 a.m. The Chairman stated that no decisions were made in Executive Session.

29. **Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF OCTOBER 4, 2016, IS HEREBY ADJOURNED.**

The San Antonio Water System Board of Trustees Meeting of October 4, 2016, adjourned at 11:14 a.m.

_________________________________
Berto Guerra, Jr., Chairman

**ATTEST:**

__________________________________
Ernesto Arrellano, Jr., Secretary
Agenda Item No. 6

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: December 14, 2016

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

<table>
<thead>
<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
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<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>0</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>12</td>
<td>5</td>
</tr>
</tbody>
</table>

SMWB Purchasing Contracts (percentage) 41.67% 46.70% 45.58% 40.71%

Approved:

Robert R. Puente
President/Chief Executive Officer

Reviewed:

Yvonne C. Torres, Director
Purchasing Division

Marisol V. Robles
SMWB Program Manager
RESOLUTION NO.

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

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

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

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

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

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

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

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

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

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 14th day of December, 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.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
</table>

NO ITEMS TO REPORT

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

Board Date: December 14, 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>1. A-Ram Plumbing, Inc. (MBE)</td>
<td>Annual Contract for Plumbing Services for Sewer Lateral Locates, Package 1 Bid No. 16-16114</td>
<td>All</td>
<td>$446,675.00</td>
<td>This is a new contract. This contract will be utilized for the purpose of locating sewer laterals as needed for in Package 1. This contract will be used for close circuit television and installation of two-way clean out of sewer laterals when they have to be located by Distribution and Collections. This contract will be effective Date of Award (December 14, 2016) through December 31, 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>2. Safety Supply, Inc. (SBE)</td>
<td>Annual Contract for Safety Hard Hats Bid No. 13-0773</td>
<td>All</td>
<td>$72,472.02</td>
<td>This is an extension of an existing contract. This contract will be utilized by System employees who are involved in indoor and outdoor activities at the Treatment Plants, Heating and Cooling Plants, Operations, Maintenance and Construction, including monitoring, maintenance and repair of System distribution and collection systems located in all traffic areas and open field areas. Safety Supply has performed well during the contract period and System has determined that pricing is favorable. Base bid, first, second and third year extensions total $72,472.02 through December 31, 2017.</td>
</tr>
<tr>
<td>3. Burnett Lime Company, Inc.</td>
<td>Annual Contract for Two Phases of 30% Hydrated Lime Slurry Bid No. 16-15071</td>
<td>All</td>
<td>$98,500.00</td>
<td>This is a new contract. This contract will be utilized to improve Distribution System water quality to the Naco Pump Station to increase both the pH and calcium levels, which will improve water corrosion stability. This contract will be effective Date of Award (December 14, 2016) through September 30, 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.</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.

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<th>PURCHASES</th>
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</tr>
</thead>
</table>
| 4. Celico Partnership dba Verizon Wireless | Annual Contract for Verizon Unlimited and 5GB Wireless Broadband Access (DIR-TSO-3415) Bid No. 16-1149 | All | $ 633,420.00 | DIRECTOR Comments:

Phase I includes the requirement to purchase the lime slurry to be delivered through a vendor provided mobile lime addition system. Phase II will begin when the permanent Nace Pump Station facility is built, and will be for the purchase of the lime slurry to be delivered directly to the new station. The purpose of both phases is to improve distribution system water quality to the Nace Pump Station by increasing both the pH and calcium levels, in order to improve water corrosion stability. The lime purchased is a slurry and Burnett Lime Co. is the only company that could provide the mobile lime addition system to meet the specifications. Recommend award.

This is a new DIR contract to be utilized by SAWS in order to provide wireless broadband services to approximately 750 wireless devices. Both Unlimited and 5GB Wireless Broadband Access allows SAWS field users to operate with wireless air cards (MiFIs) providing real time data as well as the ability to utilize other web based applications such as Geocortex for GIS updates, COSA Permits for applications, Lawson Requisition self-service for material orders and record real time data for interdepartmental use; thereby, yielding efficiencies within SAWS and improving daily processes and performance. This contract will be awarded direct to Verizon Wireless via DIR contract DIR-TSO-3415. DIR-TSO-3415 is the result of compliance with applicable procurement laws of the State of Texas where this contract was competitively bid prior to award. This contract will be effective January 1, 2017 through December 31, 2018; 24 month base period. If determined that an extension is favorable to the 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.

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Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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

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</tr>
</thead>
</table>
| Vulcan Construction Materials, LLC | Annual Contract for Asphalt & Pothole Paving Materials (COSA Bid No. 6100007453) Bid No. 16-0211 | All | $893,750.00 | DIRECTOR Comments:
Verizon Wireless has a greater footprint in the SAWS coverage area than other providers. Verizon Wireless is currently integrated into the SAWS network infrastructure as it is the current SAWS wireless broadband carrier providing support to approximately 530 SAWS devices. These devices have been configured specifically for SAWS employee laptops and Verizon’s network in order to interface with the private IP network created for SAWS. Logistically, it is projected that it would require several months of SAWS personnel resources to execute a turnover in providers. In addition, a comparable solution from another provider would cost more over the life of the contract when compared to Verizon. Recommend award.

This is a new contract. This contract was issued and awarded by the City of San Antonio. This contract will be utilized by System on an as needed basis for System maintenance crews repair water and wastewater infrastructure that requires surface restoration. This contract will be effective January 1, 2017 through March 31, 2020. 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. |

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Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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

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6. WaterSmart Software, Inc. (SBE)  
   Customer Consumption Reporting Tool  
   Bid No. 16-16050

**DIRECTOR Comments:**

The City of San Antonio bid has a requirement that the provider must be in Bexar County. Vulcan Construction Materials, LLC is the only provider of asphalt and pothole paving materials in Bexar County. Historically SAWS has had difficulty in getting bids directly due to our small usage. By riding the City's contract, we are able to get the materials needed at a favorable price. Recommend award.

This is a change order to an existing contract with WaterSmart and additional funds are being requested. The contract with WaterSmart is utilized by the Conservation Group to provide, implement, and maintain a customizable water efficiency, customer engagement, and water consumption reporting program. WaterSmart provides a residential customer-facing web-based application and personalized water use reports that are sent by mail and e-mail. Additional funds are being requested to expand the initial one year pilot to allow for an additional 4,000 low income customers to participate the first year, as well as, to allow additional low income customers to participate in subsequent extension years. Original base period of performance is corrected to read June 14th, 2016 thru September 13, 2017. This item was previously Board Awarded on June 14, 2016 in the amount of $676,000 for the base period (15 months) and four (4) one year options to extend. Each extension year provides for the ability to increase the number of customers. This change order seeks to increase the dollars for the base period and extension years by a total of $169,000, an amount equal to 25% per year. This change order reflects a 25% increase for the initial period (June 14, 2016 through September 13, 2017) as corrected and 25% for each of the four (4) one year option period for a revised contract total of $845,000.

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Board Date: December 14, 2016
Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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</thead>
<tbody>
<tr>
<td>7. Pencco, Inc. (SBE)</td>
<td>Annual Contract for Fluorosilic Acid Bid No. 16-2008</td>
<td>All</td>
<td>$ 841,365.00</td>
<td>This is a new contract. This contract will be utilized for the purchase, transportation and delivery of fluorosillic acid to our pumping stations. The fluoridation system will utilize fluorosillic acid to treat our water supply. This contract will be effective Date of Award January 1, 2017 through December 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. DIRECTOR Comments: All fluorosillic acid chemical providers were solicited, however the only bid received was from Pencco. Three &quot;no bids&quot; were received with cited reasons being they cannot meet the specifications, or that they do not sell chemical. Recommend award.</td>
</tr>
<tr>
<td>8. Kapsch Trafficcom USA, Inc.</td>
<td>Annual Contract for Maintenance and Service Renewal for DYNAC SCADA Bid No. 15-15131</td>
<td>All</td>
<td>$ 60,000.00</td>
<td>This contract was originally awarded a sole source to Kapsch on December 16, 2015 in the amount of $30,000 for the annual maintenance and support of the DYNAC SCADA System employed at the SAWS Headquarters and Twin Oaks locations. Kapsch Trafficcom USA, Inc. has performed well during the contract period and System has determined pricing to be favorable. This contract extension will be effective January 1, 2017 through December 31, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of one (1) additional one-year options to extend as provided for and approved in future year's budgets.</td>
</tr>
</tbody>
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Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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<tbody>
<tr>
<td>9. Solutions II</td>
<td>Annual Contract for Network Performance Monitoring Bid No. 16-16108</td>
<td>All</td>
<td>$ 99,999.47</td>
<td>DIRECTOR Comments: This is an extension of a sole source contract. The DYNAC SCADA system is utilized to monitor and control the SAWS Pump Stations, which are comprised of items such as Well Pumps, Booster Pumps, High Service Pumps, Valves, and Tanks. Without the DYNAC SCADA system, SAWS cannot monitor and control this critical infrastructure. Kapsch is the sole authorized source for the DYNAC software suite of products installed at SAWS. Recommend award.</td>
</tr>
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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.

B. VENDOR DESCRIPTION NO(s.) PURCHASES REMARKS

10. Freeit Data Solutions, Inc. Annual Contract for Nimble Storage Shelves (DIR-TSO-2640) Bid No. 16-16126 All $97,464.04 DIRECTOR Comments:

This is a new sole source contract that will provide SAWS with enhanced network performance monitoring. Network performance monitoring tools assist the IS staff with troubleshooting issues and proactively identify potential problems. These tools watch network traffic and from the network packets are able to provide insight on various issues. With this tool in place, IS staff will be able to isolate if an issue is related to the network, an application, a database or other type, and provide the insight needed to address the issue. Efficiencies will be gained by more timely identification of issues with less time required to resolve. This tool also adds other value, such as malware detection, that can lower SAWS risk exposure to a variety of hostile or intrusive software. Efforts were made to compete this effort, via a formal invitation for bid issued to the authorized resellers as identified by the manufacturer. However, Solutions II was the only reseller to submit a bid. Recommend award.

This is a new DIR contract to be utilized to put in place in order to add an additional 60 Terabytes of space to each storage array located at the Headquarters and Echo sites to accommodate long term archival requirements. This contract will be effective Date of Award (December 14, 2016) through December 12, 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.

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**Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements**

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

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</thead>
<tbody>
<tr>
<td>11. Teqsys, Inc. (WBE)</td>
<td>Annual Contract for Netbackup Licensing and One-Year of Maintenance (DIR-SDD-1917) Bid No. 16-16125</td>
<td>All</td>
<td>$ 209,850.00</td>
<td><strong>DIRECTOR Comments:</strong> SAWS utilized Nimble Storage arrays to hold all of SAWS data which is held in two datacenters located at Headquarters and Echo locations. Efforts were made to compete this effort amongst the seven (7) authorized resellers on DIR-TSO-2640, however we only received a response from Freeit Data Solutions. Freeit Data Solutions provided a 48.6% discount for the hardware and a 12% discount on the annual maintenance which exceeds the minimum required discount of 4.22% identified by the DIR contract. Recommend award.</td>
</tr>
<tr>
<td>12. MARS Co.</td>
<td>One-Time Data Migration and System Configuration and Annual Water Meter Test Equipment Software Licensing Bid No. 16-16136</td>
<td>All</td>
<td>$ 101,790.00</td>
<td>This is a new DIR contract to be utilized to put in place in order to add an additional 30 TBs for a total of 100 TBs of space to accommodate SAWS long term archival requirements. This contract will be effective Date of Award (December 14, 2016) through December 31, 2017. This is a sole source. This is a new contract and includes a one-time cost for data migration from existing MARS product and system configuration of new version of Software Application and Platform Architecture. It also includes an annual contract for Software as-a-Service (SAAS) License Subscription for the Water Meter Test Equipment Software which operates three (3) test benches within the Meter Shop as well as three (3) mobile truck testers. The meter test benches are used to test accuracy of newly received meters 5/8&quot; to 10&quot; in size before the entire shipment is accepted and the mobile truck testers are used to periodically test meters 3&quot; through 10&quot; in size for accuracy while a meter is in service. This contract will be effective Date of Award (December 14, 2016) through December 31, 2017. If determined that an extension is favorable to the 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>
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Board Date: December 14, 2016
Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$3,724,285.53</td>
<td>DIRECTOR Comments:</td>
</tr>
</tbody>
</table>

The MARS Company Software Upgrade to an Enterprise Software version will supply the software application, platform architecture, reporting module, server hardware, system setup, and training. It will provide for the ability to capture valuable meter testing data, customizable to SAWS individual meter testing program. The software will provide for many features not currently available such as custom reporting, data exporting features, browser based access and data analytics. Access to this additional information will allow SAWS to make informed decisions. Recommend award.

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

#### TABULATION OF BIDS

**PROPOSAL**
Annual Contract for Plumbing Services for Sewer Lateral Locates

**FOR**
Package 1

**TIME & DATE**
(November 1, 2016 through December 31, 2017)
3:00 p.m., October 3, 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>1.</td>
<td>2,500 ea. Closed Circuit Television</td>
<td>117.00</td>
<td>292,500.00</td>
</tr>
<tr>
<td>2.</td>
<td>250 ea. Two-way Clean-Out Installation</td>
<td>607.00</td>
<td>151,750.00</td>
</tr>
<tr>
<td>3.</td>
<td>25 ea. Emergency Response Surcharge (after hours or weekends)</td>
<td>97.00</td>
<td>2,425.00</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACT AMOUNT**

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>446,675.00</td>
</tr>
<tr>
<td>2</td>
<td>640,500.00</td>
</tr>
<tr>
<td>3</td>
<td>1,220,000.00</td>
</tr>
<tr>
<td>4</td>
<td>2,237,500.00</td>
</tr>
</tbody>
</table>

**EXTENSION 1**
446,675.00

**EXTENSION 2**
446,675.00

**EXTENSION 3**
446,675.00

Terms
- Net 30 days
- Net 30 days
- Net 30 days
- 1% 10 days

**Delivery Days**

### LOW BIDDER

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

- A-Ram Plumbing
- Aramendia Plumbing
- Beyer Plumbing
- Champion Cleaning Specialists, Inc.
- Concord Supply
- J.R.'s Plumbing
- Mr. Plumber SA
- Pronto Sandblasting & Coatings
- Quartermoon Plumbing
- T Gray Utility & Rehab Co.
## SAN ANTONIO WATER SYSTEM
### P.O. BOX 2449
### SAN ANTONIO, TEXAS 78298-2449

#### TABULATION OF BIDS

**Tender**

- **Tender No.** 13-0773
- **Tender Description:** Annual Contract for Safety Hard Hats
- **Tender Expiration Date:** (January 1, 2014 through December 31, 2014)
- **Tender Time:** 3:00 p.m., January 7, 2014

**Tabulation of Bids**

<table>
<thead>
<tr>
<th>Description</th>
<th>Supplier</th>
<th>Total Price</th>
<th>Price Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HARD HATS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement Suspension with Rotating Ratchet &amp; Brow Pad, Mfg. MSA P/N 10087220, Lawson No. 110274</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>780.00</td>
<td>7.80</td>
</tr>
<tr>
<td>Replacement Hard Hat Full Brim Tinted Front, Mfg. MSA, Part No. 609741, Lawson No. 13065</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>1,875.00</td>
<td>12.50</td>
</tr>
<tr>
<td>Chin Strap Hard Hat, Mfg. MSA, Part #88128, Lawson No. 13061</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>300.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Frame Face Shield V-Gard Brim, Mfg. MSA, Part No. 10116627, Lawson No. 11856</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>288.00</td>
<td>9.60</td>
</tr>
<tr>
<td>Neck Flap Sunshade Mesh Yellow, Mfg. MSA, Part No. 1009832, Lawson No. 13644</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>1,067.50</td>
<td>6.10</td>
</tr>
<tr>
<td>Face Shield Clear 9 5/8 X 18 for Frame, Mfg. MSA, Part No. 10115851, Lawson No. 11856</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>2,500.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Sweatband Replacement Brow Terry Cloth Mfg. MSA, Part No. 10006911, Lawson No. 13078</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>645.00</td>
<td>4.30</td>
</tr>
<tr>
<td>Earuffs for slotted Brim Hat Mfg. MSA, Part No. 1029327</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>294.00</td>
<td>9.30</td>
</tr>
<tr>
<td>Headgear Faceshield Kit, Mfg. MSA, Part No. 10127063, Lawson No. 41937</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>795.00</td>
<td>9.80</td>
</tr>
<tr>
<td>Shield Replacement Head Gear, Mfg. MSA, Part No. 10115836, Lawson No. 41937</td>
<td>Safety Supply, Inc., 14151 Vance Jackson Rd. San Antonio, TX 78239</td>
<td>103.00</td>
<td>3.10</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>17,856.50</td>
<td></td>
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</table>
**SAN ANTONIO WATER SYSTEM**  
P.O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
**TABULATION OF BIDS**

**PROPOSAL:**  
Annual Contract for Safety Hard Hats

**DATE:**  
3:00 p.m., January 7, 2014

**ITEM NO.**  
DESCRIPTION AND APPROPRIATE QUANTITY

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>3MB Interior Plus, LLC</td>
<td>11257 Tech Corn Rd. # J14</td>
</tr>
<tr>
<td>Alamo Iron Works</td>
<td>18500 Pecos Blvd. NM 87120</td>
</tr>
<tr>
<td>BKW Environmental</td>
<td>9254 Loop 150</td>
</tr>
<tr>
<td>Concepts Safety</td>
<td>Safety Supply, Inc.</td>
</tr>
<tr>
<td>CPR Savers &amp; First Aid Supply</td>
<td>5516 Stallion Pkwy</td>
</tr>
<tr>
<td>Firestorm Depot</td>
<td>Lone Star Safety &amp; Supply</td>
</tr>
<tr>
<td>Granger</td>
<td>Lone Star Safety &amp; Supply</td>
</tr>
<tr>
<td></td>
<td>Royall Matthiessen</td>
</tr>
<tr>
<td></td>
<td>Safety Supply, Inc.</td>
</tr>
<tr>
<td></td>
<td>Saf-T-Glove</td>
</tr>
<tr>
<td></td>
<td>Sunbelt</td>
</tr>
<tr>
<td></td>
<td>Supply Innovations</td>
</tr>
<tr>
<td></td>
<td>Wesco</td>
</tr>
</tbody>
</table>

SAWS Website
## SAN ANTONIO WATER SYSTEM

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

**PROPOSAL**  
**FOR**  
**TIME & DATE**

(Date of Award through August 30, 2017)  
3:00 p.m., October 6, 2017

**ITEM NO**  
**DESCRIPTION AND APPROXIMATE QUANTITY**  
**UNIT PRICE**  
**TOTAL**

### PHASE I  
**MOBILE ADDITION OF LIME**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>55,000 gallons/year 30% hydrated lime slurry</td>
<td>1.30</td>
<td>71,500.00</td>
</tr>
<tr>
<td>2.</td>
<td>7 months Rental of mobile lime addition system</td>
<td>3,000.00</td>
<td>21,000.00</td>
</tr>
<tr>
<td></td>
<td>with storage capacity of two (2) 4,000 gallons</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>to include mixers and pumps. Mobile lime addition</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>system rental pricing should include preventative</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>maintenance, set up trailer hose, lay hose,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>provide injector and spare parts as per the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OEM manual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>1 ea. Mobilization</td>
<td>4,000.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td>4.</td>
<td>1 ea. Demobilization contact complete after Phase</td>
<td>2,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sub Total Phase I**  
**TOTAL 98,500.00**

### PHASE II  
**LIME AFTER PERMANENT INSTALLATION IS AVAILABLE**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>55,000 gallons/year 30% hydrated lime slurry</td>
<td>1.30</td>
<td>71,500.00</td>
</tr>
</tbody>
</table>

**Sub Total Phase II**  
**TOTAL 71,500.00**

**Grand Total Phase I-II**  
**TOTAL 170,000.00**

### Terms

- Net
- 30 days

**Delivery Days**

---

**LOW BIDDER**

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

- Atlantic Petro
- Austin White Lime
- Bromatco
- Burnett Lime Co., Inc.
- Chemtrade Logistics
- Cheney Lime
- LC Blending
- Lhoist
- Standard Lime

---

**Demandstar**  
**SAWS Website**
ANNUAL CONTRACT FOR VERIZON UNLIMITED AND 5GB WIRELESS BROADBAND ACCESS
DIR DIRECT AWARD

This contract will be awarded direct to Verizon Wireless via a Department of Information Resources (DIR) State of Texas contract, DIR-TS0-3415. This is the direct award justification for the above named effort. This contract will be effective 01 Jan 17 through 31 Dec 18.

This is a follow-on contract utilized by SAWS in order to provide wireless broadband services to approximately 750 wireless devices. Both Unlimited and 5GB Wireless Broadband Access allows SAWS field users to operate with wireless air cards (MiFis) providing real time data as well as the ability to utilize other web based applications such as Geocortex for GIS updates, COSA Permits for applications, Lawson Requisition self-service for material orders and record real time data for interdepartmental use; thereby, yielding efficiencies within SAWS and improving daily processes and performance.

This contract will be awarded direct to Verizon Wireless via DIR contract DIR-TS0-3415; award of DIR-TS0-3415 is the result of compliance with applicable procurement laws of the State of Texas where this contract was competitively bid prior to award. It was determined to be in the best interest of SAWS to award direct to Verizon as Verizon's 4G LTE network provides the best coverage with the fastest upload and downloads when compared to AT&T, and Sprint. Verizon Wireless has a greater footprint in the SAWS coverage area, which in turn reduces drops in connectivity. In addition, Verizon Wireless is currently integrated into the SAW network infrastructure as it is the current SAWS wireless broadband carrier providing support to approximately 530 SAWS devices. These devices have been configured specifically for SAWS employee laptops and Verizon's network in order to interface with the private IP network created for SAWS. Efforts to utilize a different carrier are less than optimal due to an anticipated drop in service, and the added logistics and cost required in order execute such a turnover. Logistically, it is projected that it would require several months of SAWS personnel resources to execute this turnover. In addition, a comparable AT&T solution offered by DIR (DIR-TS0-3420) would cost $33,600 more over the life of the contract when compared to Verizon. Sprint did not offer a wireless broadband solution via DIR.

This contract will be effective 01 Jan 17 through 31 Dec 18; 24 month base period. If determined that an extension is favorable to the 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.

Total cost is for the initial 24 months is $633,420. (Price Schedule Below).
## PRICE SCHEDULE

**Base Period: 01 Jan 17 to 31 Dec 18**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Est Qty</th>
<th>UOM</th>
<th>Unit Price</th>
<th>Extended Price (Est Qty x Unit Price)</th>
<th>Total Price (Extended Price x Number of Devices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Sector Mobile Broadband (5GB) Number of Devices: 700</td>
<td>24</td>
<td>Month</td>
<td>$34.99</td>
<td>$839.76</td>
<td>$587,832.00</td>
</tr>
<tr>
<td>2</td>
<td>Mobile Broadband Access for Texas Flat Rate Data Plan (Unlimited) Number of Devices: 50</td>
<td>24</td>
<td>Month</td>
<td>$37.99</td>
<td>$911.76</td>
<td>$45,588.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>BASE YEAR TOTAL</strong> $633,420.00</td>
</tr>
</tbody>
</table>

**Extension 1: 01 Jan 19 to 31 Dec 19**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Est Qty</th>
<th>UOM</th>
<th>Unit Price</th>
<th>Extended Price (Est Qty x Unit Price)</th>
<th>Total Price (Extended Price x Number of Devices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Sector Mobile Broadband (5GB) Number of Devices: 700</td>
<td>12</td>
<td>Month</td>
<td>$34.99</td>
<td>$419.88</td>
<td>$293,916.00</td>
</tr>
<tr>
<td>2</td>
<td>Mobile Broadband Access for Texas Flat Rate Data Plan (Unlimited) Number of Devices: 50</td>
<td>12</td>
<td>Month</td>
<td>$37.99</td>
<td>$455.88</td>
<td>$22,794.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>EXTENSION 1 TOTAL</strong> $316,710.00</td>
</tr>
</tbody>
</table>

**Extension 2: 01 Jan 20 to 31 Dec 20**

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Est Qty</th>
<th>UOM</th>
<th>Unit Price</th>
<th>Extended Price (Est Qty x Unit Price)</th>
<th>Total Price (Extended Price x Number of Devices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Sector Mobile Broadband (5GB) Number of Devices: 700</td>
<td>12</td>
<td>Month</td>
<td>$34.99</td>
<td>$419.88</td>
<td>$293,916.00</td>
</tr>
<tr>
<td>2</td>
<td>Mobile Broadband Access for Texas Flat Rate Data Plan (Unlimited) Number of Devices: 50</td>
<td>12</td>
<td>Month</td>
<td>$37.99</td>
<td>$455.88</td>
<td>$22,794.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>EXTENSION 2 TOTAL</strong> $316,710.00</td>
</tr>
</tbody>
</table>

**GRAND TOTAL (Base Period, Ext 1, and Ext 2):** $1,266,840.00
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price Per Ton Delivered</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cold Mix Limestone Rock Asphalt</td>
<td></td>
<td>$56.54</td>
<td>$395,780.00</td>
</tr>
<tr>
<td>A</td>
<td>Pavement</td>
<td>7,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Pavement</td>
<td>500</td>
<td>$38.00</td>
<td>$19,000.00</td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Cold Laid Asphaltic Concrete</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>Pavement</td>
<td>500</td>
<td>$60.00</td>
<td>$30,000.00</td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>- Type D</td>
<td>1,500</td>
<td>$54.50</td>
<td>$81,750.00</td>
</tr>
<tr>
<td>A</td>
<td>Price Per Ton Delivered (bally or</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>lift trucks)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>- Type C</td>
<td>500</td>
<td>$47.50</td>
<td>$2,698,000.00</td>
</tr>
<tr>
<td>A</td>
<td>Price Per Ton Delivered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>- Type B</td>
<td>1,000</td>
<td>$54.00</td>
<td>$54,000.00</td>
</tr>
<tr>
<td>A</td>
<td>Price Per Ton Delivered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>- Type F</td>
<td>14,000</td>
<td>$47.00</td>
<td>$658,000.00</td>
</tr>
<tr>
<td>A</td>
<td>Price Per Ton Delivered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Price Per Ton Picked Up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>- Type F</td>
<td>14,000</td>
<td>$60.50</td>
<td>$847,000.00</td>
</tr>
<tr>
<td>A</td>
<td>Price Per Ton Delivered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>B</td>
<td>Price Per Ton Picked Up</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
City of San Antonio Draft Bid Tabulation

Opened: August 8, 2016
For: Annual Contract for Asphalt & Pothole Paving Materials

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price Per Ton Delivered</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Grade 5 Fine Chat Rock (Icing conditions)</td>
<td>50</td>
<td>$37.40</td>
<td>$1,870.00</td>
</tr>
<tr>
<td></td>
<td>Price Per Ton Delivered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Price</td>
<td></td>
<td>$1,870.00</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Grade 5 Fine Chat Rock (Icing conditions)</td>
<td>50</td>
<td>$23.00</td>
<td>$1,150.00</td>
</tr>
<tr>
<td></td>
<td>Price Per Ton Picked Up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Price</td>
<td></td>
<td>$1,150.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reclaimable Asphaltic Credit</td>
<td>15,000</td>
<td>$3.00</td>
<td>$45,000.00</td>
</tr>
<tr>
<td></td>
<td>Delivery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Payment Terms</td>
<td></td>
<td></td>
<td>Net 30</td>
</tr>
</tbody>
</table>

Vulcan Construction Materials, LLC
800 Isom Road, Ste 300
San Antonio, TX 78216
ITEM
BID NO. 16-0211
ASPHALT & POTHOLE PAVING MATERIALS (COSA BID NO. 6100007453)
SINGLE SOURCE

Bid No. 16-0211 solicited bids for asphalt and pothole paving material awarded by the City of San Antonio (COSA) bid no. 6100007453. This contract will be utilized by SAWS on an as needs basis when SAWS maintenance crews repair water and wastewater infrastructure that require surface restoration.

Only one bidder responded to the bid solicitation issued by the COSA for asphalt and paving material. A requirement in the bid document states that the vendor facility location must be within Bexar County. Vulcan Construction Materials, LLC is the only company within Bexar County that provides asphalt and pothole paving materials.

The City of San Antonio bid tabulation results are based on the City annual estimated usage. SAWS overall annual estimated usage is $275,000.

- City of San Antonio Bid Tabulation

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Annual Quantity</th>
<th>Price Per Ton Delivered/ Picked Up</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 A</td>
<td>Cold Mix Limestone Rock Asphalt Pavement</td>
<td>7,000</td>
<td>$56.54</td>
<td>$395,780.00</td>
</tr>
<tr>
<td>1 B</td>
<td>Cold Mix Limestone Rock Asphalt Pavement</td>
<td>500</td>
<td>$38.00</td>
<td>$19,000.00</td>
</tr>
<tr>
<td>2 A</td>
<td>Hot-Mix Cold Laid Asphaltic Concrete Pavement</td>
<td>500</td>
<td>$60.00</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>2 B</td>
<td>Deleted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 A</td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type D</td>
<td>1,500</td>
<td>$54.50</td>
<td>$81,750.00</td>
</tr>
<tr>
<td>3 B</td>
<td>Deleted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 C</td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type D</td>
<td>56,800</td>
<td>$47.50</td>
<td>$2,698,000.00</td>
</tr>
<tr>
<td></td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type C</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>Price Per Ton Picked up</td>
<td><strong>$47.50</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td></td>
<td><strong>$23,750.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type B</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>Price Per Ton Delivered</td>
<td><strong>$54.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td></td>
<td><strong>$54,000.00</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type B</td>
<td>14,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Per Ton Picked Up</td>
<td><strong>$47.00</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td></td>
<td><strong>$658,000.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type F</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>Price Per Ton Delivered</td>
<td><strong>$67.50</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td></td>
<td><strong>$67,500.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>Hot-Mix Asphaltic Concrete Pavement - Type F</td>
<td>14,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Per Ton Picked Up</td>
<td><strong>$60.50</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td></td>
<td><strong>$847,000.00</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- SAWS estimated annual award amount is $275,000.00
REQUEST FOR PROPOSAL
FOR
CUSTOMER CONSUMPTION REPORTING TOOL
SAWS Bid # 16-16050, Revision 1

SUPPLEMENTARY COMMENTS:
Staff recommends that the contract be awarded to WaterSmart Software, Inc. Non-Local/ SBE firm, 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>30</td>
</tr>
<tr>
<td>b. Detailed Scope of Work</td>
<td>25</td>
</tr>
<tr>
<td>c. Project Team and Resumes</td>
<td>10</td>
</tr>
<tr>
<td>d. Past Experience and Similar Projects</td>
<td>10</td>
</tr>
<tr>
<td>e. Project Schedule</td>
<td>10</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 proposals 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>WaterSmart Software, Inc.</td>
<td>$65,000 (6,000 accounts) Ext 1: $79,000 (10,000 accounts) Ext 2: $148,000 (20,000 accounts) Ext 3: $192,000 (30,000 accounts) Ext 4: $192,000 (30,000 accounts): Total: $676,000</td>
<td>286 points</td>
<td>Non-Local/ SBE</td>
</tr>
<tr>
<td>2</td>
<td>Smart Utility Systems</td>
<td>$43,590 (6,000 accounts) Ext 1: $233,752 (10,000 accounts) Ext 2: $249,552 (20,000 accounts) Ext 3: $369,792 (30,000 accounts) Ext 4: $369,792 (30,000 accounts): Total: $1,266,478</td>
<td>219 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
</tbody>
</table>
3

<table>
<thead>
<tr>
<th>Dropcountr, Inc.</th>
<th>S 52,440 (6,000 accounts)</th>
<th>186 points</th>
<th>Non-Local/ Non-SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ext 1: $126,300 (10,000 accounts)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ext 2: $271,100 (20,000 accounts)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ext 3: $405,900 (30,000 accounts)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ext 4: $405,900 (30,000 accounts):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total: S 1,261,640</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*Best Value Proposal*

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

<table>
<thead>
<tr>
<th>Request for Proposal SAWS Bid No. 16-16050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Consumption Reporting Tool</td>
</tr>
<tr>
<td>WATERSMART SOFTWARE, INC.</td>
</tr>
<tr>
<td><strong>SMWB ANALYSIS – BOARD AWARD</strong></td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE - African American</td>
</tr>
<tr>
<td>MBE - Asian</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
</tr>
<tr>
<td>MBE - Other</td>
</tr>
<tr>
<td>WBE - Minority</td>
</tr>
<tr>
<td>WBE - Non-Minority</td>
</tr>
<tr>
<td>SMWB Total</td>
</tr>
</tbody>
</table>

**PERIOD OF AWARD:**

Contract period shall begin on June 14, 2016 and shall end on September 13, 2017*. The initial contract period shall include three months for implementation and one year of services. The contract shall include four (4) 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 proposal. Staff has determined that WaterSmart Software, Inc, will provide services at the best value to System.

*Original period read June 7, 2016 through September 6, 2017 corrected to read June 14, 2016 through September 13, 2017.
## SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**PROPOSAL**  
Annual Contract for  
Fluorosilicic Acid  
(Strengthened  
(January 1, 2017 through December 31, 2017)

**DATE**  
3:00 p.m., October 20, 2016

| ITEM NO. | DESCRIPTION AND APPROXIMATE QUANTITY | Penco, Inc.  
P.O. Box 600  
San Felipe, TX 77473 | Noah Technologies | Univar |
|----------|-------------------------------------|------------------|---------|--------|
| **OPTION 1** | 250,000 Gallons  
23% nominal Fluorosilicic Acid, SAWS No. 7522 | UNIT  
PRICE | 3.24  
810,000.00 | **NO BID** | **NO BID** |
| **1.**  | 5 Drums  
23% nominal Fluorosilicic Acid 55 gallon drum, SAWS No. 22339 | UNIT  
PRICE | 273.00  
1,365.00 | **NO BID** | **NO BID** |
| **3.**  | 300 Stops  
Split Delivery Fee (stop charge), SAWS No. 31236 | UNIT  
TOTAL | 100.00  
30,000.00 | **NO BID** | **NO BID** |
| **4.**  | 5 Requests  
Split Delivery Fee (stop charge), SAWS No. 31237 | UNIT  
TOTAL | 0.00  
0.00 | **NO BID** | **NO BID** |
| **TOTAL OPTION 1** |  |  | 841,365.00 | **NO BID** | **NO BID** |
| **OPTION 2** | 250,000 Gallons  
23% nominal Fluorosilicic Acid, SAWS No. 7522 | UNIT  
PRICE | 3.21  
802,500.00 | **NO BID** | **NO BID** |
| **1.**  | 5 Drums  
23% nominal Fluorosilicic Acid 55 gallon drum, SAWS No. 22339 | UNIT  
PRICE | 273.00  
1,365.00 | **NO BID** | **NO BID** |
| **3.**  | 300 Stops  
Split Delivery Fee (stop charge), SAWS No. 31236 | UNIT  
TOTAL | 100.00  
30,000.00 | **NO BID** | **NO BID** |
| **4.**  | 5 Requests  
Split Delivery Fee (stop charge), SAWS No. 31237 | UNIT  
TOTAL | 0.00  
0.00 | **NO BID** | **NO BID** |
| **TOTAL OPTION 2** |  |  | 833,865.00 | **NO BID** | **NO BID** |
| **EXTENSION 1** |  |  | 841,365.00 | **NO BID** | **NO BID** |
| **EXTENSION 2** |  |  | 841,365.00 | **NO BID** | **NO BID** |
| **EXTENSION 3** |  |  | 841,365.00 | **NO BID** | **NO BID** |
| **Terms** |  |  | 1.5%  
10 days | **NO BID** | **NO BID** |
| **Delivery Days** |  |  | 5-7 days | **NO BID** | **NO BID** |

*AWARD OPTION*

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

- Altivia
- Bell Chemical
- Brenntag
- Calabrian Corp.
- Chemtrade Chemical USA
- DX Group
- Evoqua Water Technologies
- FSTI Chemicals
- GAC Chemical
- Lhoist
- Noah Technologies
- Penco
- PVS Chemicals
- Rowell Chemical
- Seidler Chemical
- Simba Industries
- Southern Ionics
- Univar

SAN ANTONIO WATER SYSTEM

P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449
Bid No. 16-2008 solicited bids for the purchase of Fluorosilicic acid. The purpose of this contract will be for the purchase, transportation and delivery of Fluorosilicic acid to our pumping stations. The fluoridation system will utilize Fluorosilicic acid to treat our water supply. System shall require the transporting and delivery of Fluorosilicic acid to our various water station sites throughout the city of San Antonio.

Pencco Inc. is the single responsible bidder for the purchase of the Fluorosilicic acid.

All Fluorosilicic acid vendors were invited to bid, but the only bid received was from Pencco Inc. We also received three “no bid” with cited reason being “cannot meet the specifications highlighted in the attached bid” or “do not sell the item(s) required.

The bid submitted by Pencco Inc. Inc. meets all the requirements of the specification. The criticality of this particular product makes the Fluorosilicic acid offered by Pencco Inc. the only available source for this application.

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>23% nominal Fluorosilicic Acid</td>
<td>250,000 gallons</td>
<td>$3.24</td>
<td>$810,000.00</td>
</tr>
<tr>
<td>23% nominal Fluorosilicic Acid 55</td>
<td>5 Drums</td>
<td>$273.00</td>
<td>$1,365.00</td>
</tr>
<tr>
<td>gallon drum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Split Delivery fee (stop charge)</td>
<td>300 Stops</td>
<td>$100.00</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>Expedited Delivery</td>
<td>5 request</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$841,365.00</strong></td>
</tr>
</tbody>
</table>

- The award amount is $841,365.00
This is the sole source justification for the above named effort. This contract extension will be effective January 1, 2017 through December 31, 2017.

This contract was originally awarded sole-source to Kapsch on December 16, 2015 in the amount of $30,000 for the annual maintenance and support of the DYNAC SCADA system employed at the SAWS HQ, and Twin Oaks locations. The DYNAC SCADA system is utilized to monitor and control the SAWS Pump Stations, which are comprised of items such as Well Pumps, Booster Pumps, High Service Pumps, Valves, and Tanks. Without the DYNAC SCADA system, SAWS cannot monitor and control this critical infrastructure. The contract award was executed on a sole-source basis, to Kapsch, as there are no other authorized sources or resellers of the DYNAC software suite of products installed at SAWS; Kapsch is the sole supplier of DYNAC and the only company authorized to provide DYNAC for sale. Contractor service support tasks include: Software Maintenance, Telephone Support, Maintenance and Service Requests, and Standard Scheduling and Availability.

This Board approval request is being accomplished in order to exercise Extension 1 (January 1, 2017 to December 31, 2017) as the extension value of $30,000 will increase the contract total to $60,000, which exceeds the Board approval threshold. The award includes the availability of one additional one year option to extend.

Total cost is as follows:

<table>
<thead>
<tr>
<th></th>
<th>SAWS</th>
<th>AMOUNT TO BE TAKEN TO THE BOARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original POP</td>
<td>$30,000.00</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>Extension 1</td>
<td>$30,000.00</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Extension 2</td>
<td>$30,000.00</td>
<td></td>
</tr>
</tbody>
</table>
**TABULATION OF BIDS**

**DATE:** October 6, 2016

**PROPOSAL:** Annual Contract for Network Performance Monitoring

**ITEM # | DESCRIPTION AND APPROXIMATE QUANTITY**

| Base Year: Dec. 6, 2016 to December 5, 2017 |
|-----------------|--------------------------------------------------|
| ExtraHop EDA3000 |
| 1 Each 3 Gbps continuous traffic analysis. Hardware appliance includes base system software including HTTP, TCP, DNS, LDAP, SMTP, FTP, and Network Analysis Modules and is licensed to analyze 50 servers. Does not include support. | UNIT PRICE 26,821.96 |
| 1 Each Additional SSL hardware, firmware, and software to enable SSL decryption on the EDA3000 hardware appliance. | UNIT PRICE 9,156.46 |
| 1 Each Microsoft SQL analysis module supporting as many SQL servers up to the licensed appliance server count. Does not include support. | UNIT PRICE 5,164.01 |
| 1 Each NAS analysis module supporting as many NAS servers up to the licensed appliance server count. Does not include support. | UNIT PRICE 6,538.46 |
| 1 Each Oracle DB analysis module supporting as many Oracle instances up to the licensed appliance server count. Does not include support. | UNIT PRICE 6,538.46 |
| 1 Each Price per server under management for up to 1000 servers. Does not include support. | UNIT PRICE 0.00 |
| 1 Each Enterprise VOIP and Video analysis module supporting as many VOIP/video servers up to the licensed appliance server count. Does not include support. | UNIT PRICE 9,156.46 |
| 12 Month 1 Month of Gold-level support and maintenance. Includes all minor and major upgrades for the EDA3000 physical appliance. | UNIT PRICE 593.42 |
| 12 Month 1 Month of Gold-level support and maintenance for the EDA3000 Microsoft SQL Module. | UNIT PRICE 114.23 |
| 12 Month 1 Month of Gold-level support and maintenance for the EDA3000 NAS Module. | UNIT PRICE 144.63 |
| 12 Month 1 Month of Gold-level support and maintenance for the EDA3000 Oracle Module. | UNIT PRICE 144.63 |
| 12 Month 1 Month of Gold-level support and maintenance for EDA3000 SSL Decryption hardware. | UNIT PRICE 202.54 |
| 12 Month 1 Month of Gold-level support and maintenance for up to 1000 servers on the EDA3000 Discover Appliance. | UNIT PRICE 0.00 |
| 12 Month 1 Month of Gold-level support and maintenance for the EDA3000 Enterprise VOIP and Video Analysis Module. | UNIT PRICE 202.54 |
| ExtraHop EXA5108V 1 Each The ExtraHop Explore Virtual Appliance indexes and stores wire transactions to provide multi-dimensional analysis of wire data. Requires an ExtraHop Discover Appliance for the data feed. Includes Gold-level support. | UNIT PRICE 6,425.10 |
| ExtraHop EDA 3000 Packet Capture 1 Each Additional SSD storage, firmware, and software to enable packet capture on the EDA3000 hardware appliance. | UNIT PRICE 9,079.51 |
| 12 Month 1 Month of Gold-level support and maintenance for EDA3000 Packet Capture hardware. | UNIT PRICE 203.74 |
| Atlas Application & Infrastructure Analysis Report 1 Each Comprehensive assessment of network infrastructure performance. Includes a findings report with recommendations and a record of previous activity and results. Covers up to five appliances, connected to the Cloud Atlas service. | UNIT PRICE 1,844.26 |

**BASE YEAR TOTAL**

TOTAL 99,993.44
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
TABULATION OF BIDS

**PROPOSAL:** Annual Contract for Network Performance Monitoring  

**FOR:**  

(December 6, 2016 through December 5, 2017)  

**TIME & DATE:** 3:00 p.m., October 6, 2016  

**ITEM NO.** DESCRIPTION AND APPROXIMATE QUANTITY | UNIT | PRICE | TOTAL
--- | --- | --- | ---
**Extension 1: Dec. 6, 2017 to Dec. 5, 2018**  
12 Month  
1 Month of Gold-level support and maintenance. Includes all minor and major upgrades for the EDA3000 physical appliance | UNIT | 593.42 | 7,121.04
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 Microsof | UNIT | 114.23 | 1,370.76
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 NAS Module | UNIT | 144.63 | 1,735.56
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 Oracle Module | UNIT | 144.63 | 1,735.56
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 SSL Decryption hardware | UNIT | 202.54 | 2,430.48
12 Month  
1 Month of Gold-level support and maintenance for up to 1000 servers on the EDA3000 Discover Appliance | UNIT | 0.00 | 0.00
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 Enterprise VOIP and Video Analysis Module | UNIT | 202.54 | 2,430.48
ExtraHop EXA5100V  
12 Month  
The ExtraHop Explore Virtual Appliance indexes and stores wire transactions to provide multi-dimensional analysis of wire data. Requires an ExtraHop Discover Appliance for the data feed. Includes Gold-level support. | UNIT | 535.43 | 6,425.16
12 Month  
1 Month of Gold-level support and maintenance for EDA3000 Packet Capture hardware | UNIT | 203.74 | 2,444.88
Atlas Application & Infrastructure Analysis Report  
1 Each  
Comprehensive assessment of network infrastructure performance. Includes a findings report with recommendations and a record of previous activity and results. Covers up to five appliances, connected to the Cloud Atlas service. | UNIT | 1,844.26 | 1,844.26
**EXTENSION 1 TOTAL** | | | **27,538.18**

**Extension 2: Dec. 6, 2018 to Dec. 5, 2019**  
12 Month  
1 Month of Gold-level support and maintenance. Includes all minor and major upgrades for the EDA3000 physical appliance | UNIT | 593.42 | 7,121.04
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 Microsoft SQL Module | UNIT | 114.23 | 1,370.76
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 NAS Module | UNIT | 144.63 | 1,735.56
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 Oracle Module | UNIT | 144.63 | 1,735.56
12 Month  
1 Month of Gold-level support and maintenance for EDA3000 SSL Decryption hardware | UNIT | 202.54 | 2,430.48
12 Month  
1 Month of Gold-level support and maintenance for up to 1000 servers on the EDA3000 Discover Appliance | UNIT | 0.00 | 0.00
12 Month  
1 Month of Gold-level support and maintenance for the EDA3000 Enterprise VOIP and Video Analysis Module | UNIT | 202.54 | 2,430.48
ExtraHop EXA5100V  
12 Month  
The ExtraHop Explore Virtual Appliance indexes and stores wire transactions to provide multi-dimensional analysis of wire data. Requires an ExtraHop Discover Appliance for the data feed. Includes Gold-level support. | UNIT | 535.43 | 6,425.16
# 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></td>
<td><strong>12 Month</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Month of Gold-level support and maintenance for EDA3000 Packet Capture hardware</td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>Atlas Application &amp; Infrastructure Analysis Report</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Each</td>
<td>Comprehensive assessment of network infrastructure performance. Includes a findings report with recommendations and a record of previous activity and results. Covers up to five appliances, connected to the Cloud Atlas service.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,844.26</td>
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**EXTENSION 1 TOTAL**

<table>
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<th>Item No.</th>
<th>Description and Approximate Quantity</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Extension 3: Dec. 6, 2019 to Dec. 5, 2020</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance. Includes all minor and major upgrades for the EDA3000 physical appliance.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>7,121.04</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 Micr</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,370.76</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 NAS Module</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,735.56</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 Oracle Module</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,735.56</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for EDA3000 SSL Decryption hardware</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>2,430.48</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for up to 1000 servers on the EDA3000 Discover Appliance.</td>
<td>UNIT</td>
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<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 Enterprise VOIP and Video Analysis Module.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>2,430.48</td>
</tr>
<tr>
<td></td>
<td>ExtraHop EXAS100V</td>
<td>The ExtraHop Explore Virtual Appliance indexes and stores wire transactions to provide multi-dimensional analysis of wire data. Requires an ExtraHop Discover Appliance for the data feed. Includes Gold-level support.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>6,425.16</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for EDA3000 Packet Capture hardware</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>2,444.88</td>
</tr>
<tr>
<td></td>
<td><strong>Atlas Application &amp; Infrastructure Analysis Report</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Each</td>
<td>Comprehensive assessment of network infrastructure performance. Includes a findings report with recommendations and a record of previous activity and results. Covers up to five appliances, connected to the Cloud Atlas service.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,844.26</td>
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</tbody>
</table>

**EXTENSION 3 TOTAL**

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<th>Unit Price</th>
<th>Total</th>
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</thead>
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<td>Extension 4: Dec. 6, 2020 to Dec. 5, 2021</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance. Includes all minor and major upgrades for the EDA3000 physical appliance.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>7,121.04</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 Microsoft SOL Module.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,370.76</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 NAS Module.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,735.56</td>
</tr>
<tr>
<td></td>
<td>12 Month</td>
<td>1 Month of Gold-level support and maintenance for the EDA3000 Oracle Module.</td>
<td>UNIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>1,735.56</td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Solutions II</strong></td>
<td></td>
<td>27,538.18</td>
</tr>
</tbody>
</table>
SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
TABULATION OF BIDS  

PROPOSAL: Annual Contract for Network Performance Monitoring  
FOR:  
TIME & DATE: (December 6, 2016 through December 5, 2017)  
3:00 p.m., October 6, 2016  

ITEM NO DESCRIPTION AND APPROXIMATE QUANTITY  

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Month 1 Month of Gold-level support and maintenance for EDA3000 SSL Decryption hardware</td>
<td>202.54</td>
<td>2,430.48</td>
</tr>
<tr>
<td>12 Month 1 Month of Gold-level support and maintenance for EDA3000 Discover Appliance</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>12 Month 1 Month of Gold-level support and maintenance for EDA3000 Enterprise VOIP and Video Analysis Module</td>
<td>202.54</td>
<td>2,430.48</td>
</tr>
<tr>
<td>ExtraHop EXA5100V 12 Month The ExtraHop Explore Virtual Appliance indexes and stores wire transactions to provide multi-dimensional analysis of wire data Requires an ExtraHop</td>
<td>535.43</td>
<td>6,425.16</td>
</tr>
<tr>
<td>12 Month 1 Month of Gold-level support and maintenance for EDA3000 Packet Capture hardware</td>
<td>203.74</td>
<td>2,444.88</td>
</tr>
<tr>
<td>Atlas Application &amp; Infrastructure Analysis Report 1 Each Comprehensive assessment of network infrastructure performance. Includes a findings report with recommendations and a record of previous activity and results. Covers up to five appliances, connected to the Cloud Atlas service.</td>
<td>1,844.26</td>
<td>1,844.26</td>
</tr>
<tr>
<td>EXTENSION 4 TOTAL</td>
<td></td>
<td>27,538.18</td>
</tr>
<tr>
<td>GRAND TOTAL (BASE, EXT 1, EXT 2, EXT 3, EXT 4)</td>
<td></td>
<td>210,146.16</td>
</tr>
</tbody>
</table>

Terms  
Net 30 days  

*LOW BIDDER  
BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY  
ExtraHop Demandstar  
Presidio SAWS Website  
Secure Data Solutions Solutions II  

Delivery Days
ITEM
BID NO. 16-16108
PURCHASE EXTRA HOP EDA 3000 NETWORK PERFORMANCE MONITORING AND ANNUAL MAINTENANCE
SOLE SOURCE

This is a new sole source contract that will provide SAWS with enhanced network performance monitoring utilizing the ExtraHop EDA solution with provided annual maintenance.

Bid No. 16-16108 solicited bids for the purchase of Network Performance Monitoring software. Network performance monitoring tools assist the IS staff with troubleshooting issues and proactively identify potential problems. These tools watch network traffic and from the network packets are able to provide insight on various issues. With this tool in place, IS staff will be able to isolate if an issue is related to the network, an application, a database or other type, and provide the insight needed to address the issue. Efficiencies will be gained by more timely identification of issues with less time required to resolve. This tool also adds other value, such as malware detection, that can lower SAWS risk exposure to a variety of hostile or intrusive software. In 2015, SAWS purchased and installed a network traffic aggregation device. The purpose of this device was to collect network data from various sources, filter and/or combine that data, and provide a data stream to a collecting tool set. Adding a network performance monitoring tool would allow the SAWS IS staff to more efficiently identify and troubleshoot network issues. When at its best, this tool would proactively identify problems and provide insight to application issues based off the network traffic. As a proof of concept, four tools were tested in the SAWS environment prior to the SAWS IS Staff making its determination as to what tool provided the most optimal support: (1) Viavi Gigastor, (2) Netscout nGenius, (3) Riverbed SteelCentral NetExpress, and (3) ExtraHop EDA. The two products that stood out were the Riverbed SteelCentral NetExpress, and the ExtraHop EDA. Both systems contained features that would benefit SAWS. With NetExpress, obtaining specific information about a network transaction was easily gathered by a few clicks, and packet captures were easy to obtain. However, the ExtraHop EDA provided deeper insight on security and telephony traffic that pushed it to stand out. After completing the proof of concept, the opinion was that the ExtraHop EDA would provide the most value to SAWS.

As a result, efforts were made to compete this ExtraHop EDA effort, via a formal invitation for bid issued to the authorized resellers of the ExtraHop EDA solution. However, Solutions II was the only reseller to submit a bid.

This contract will be effective Date of Award (13 Dec 2016) through 05 Dec 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.

- The award amount is $99,999.47 with extension pricing as follows:

<table>
<thead>
<tr>
<th>Base Year</th>
<th>$99,993.44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension 1</td>
<td>$27,538.18</td>
</tr>
<tr>
<td>Extension 2</td>
<td>$27,538.18</td>
</tr>
<tr>
<td>Extension 3</td>
<td>$27,538.18</td>
</tr>
<tr>
<td>Extension 4</td>
<td>$27,538.18</td>
</tr>
<tr>
<td>Total</td>
<td>$210,146.16</td>
</tr>
</tbody>
</table>
## SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

### PROPOSAL FOR

**TIME & DATE**  
3:00 p.m., October 17, 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>1</td>
<td>Nimble Storage Expansion Shelves ES1 Series ES1-H90T - hard drive array</td>
<td>46,203.75</td>
<td>92,407.50</td>
</tr>
<tr>
<td>2</td>
<td>2X1 Meter SAS Cable; ES1 Shelf; GEN1 Connectivity</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Nimble World-Class Support Premium 4-Hour-extended service agreement</td>
<td>5,056.54</td>
<td>5,056.54</td>
</tr>
<tr>
<td>4</td>
<td>Extension 1: Dec. 13, 2017 - Dec. 12, 2018</td>
<td>5,056.54</td>
<td>5,056.54</td>
</tr>
<tr>
<td>5</td>
<td>Extension 2: Dec. 13, 2018 - Dec. 12, 2019</td>
<td>5,056.54</td>
<td>5,056.54</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>107,577.12</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Terms**  
Net 30 days

**Delivery Days**  
3-5 days

**LOW BIDDER**

BIDS WERE E-MAILED TO ALL DIR* HOLDERS FOR THIS EQUIPMENT

CDWG  
Critical Start  
Dtree Tech  
Freet  
Gruene  
Sequel Data  
Sigma Solution Inc
# SAN ANTONIO WATER SYSTEM

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

## PROPOSAL

**FOR**  
Netbackup Platform  
(DIR-SDD-1917)

**TIME & DATE**  
3:00 p.m., October 17, 2016

## ITEM NO | DESCRIPTION AND APPROXIMATE QUANTITY | PRICE | UNIT PRICE | TOTAL |
---|---|---|---|---|
1 | 30 ea. Netbackup Platform Base Complete Ed Xplat 1 Front End TB Onpremise Standard Perpetual License, Part No. 10915-M0399 | 5,365.00 | 160,950.00 | 7,490.00 |
2 | SUPPORT PERIOD: DEC. 13, 2016 - DEC. 12, 2017 | \[ TOTAL \] | \[ TOTAL \] | \[ TOTAL \] |
2 | TOTAL | \[ 209,850.00 \] | \[ 273,228.90 \] | \[ 291,147.00 \] |

**Terms**  
Net  
Net  
Net  

**Delivery Days**  
30 days  
30 days  
30 days  

**LOW BIDDER**

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

- Agilet Solutions  
- CBI Home  
- Conventus Corp.  
- Insight  
- Intuitivetech  
- Novacoast  
- Petro System  
- Sigma Solution  
- Sirius  
- Softex Inc.  
- Taborda Solutions  
- Teqsys, Inc.
ONE-TIME DATA MIGRATION AND SYSTEM CONFIGURATION AND
ANNUAL WATER METER TEST EQUIPMENT SOFTWARE LICENSING
SOLE SOURCE

This is a sole source. This is a new contract and includes a one-time cost for Software Upgrade to include data migration from existing MARS product and system configuration of new version of Software Application and Platform Architecture. It also includes an annual contract for Software as-a-Service (SAAS) License Subscription for the Water Meter Test Equipment Software.

The San Antonio Water System (SAWS) executes testing on new and used domestic water meters ranging from 5/8” to 10” in size to ensure acceptable operation and adherence with recommended American Water Works Association (AWWA) accuracy standards. This practice ensures both that newly received water meters are operable for acceptance and furthermore that existing meters in use are accurately measuring consumption.

Currently the Meter Shop location at the Eastside Service Center (3930 E. Houston St.) utilizes three (3) test benches inside the Meter Shop to test accuracy of newly received meters before the entire shipment is accepted in full into a SAWS Supply Warehouse. Testing 3% of new meters (5/8” through 2” in size) and 10% of new meters (3” through 10” in size) ensures acceptance with AWWA standards, allowing SAWS to refuse shipment in full should 3% or more of the test quantity display results outside of acceptable standards. Approximately 760 new meters are tested annually to meet this objective.

Equally important the Meter Shop is equipped with three (3) mobile truck testers, allowing SAWS to periodically test meters 3” through 10” in size for accuracy. This practice allows SAWS customers to remain in service through the testing exercise, saves on resource time/material for otherwise returning meter to the Meter Shop, and verifies meter accuracy on meters that make up 25% of the total water consumption. Approximately 2,000 large meters are tested annually to meet this objective.

The Software Upgrade will supply the software application, platform architecture, reporting module, server hardware, system setup, and training. This annual contract is for the Software as-a-Service (SAAS) License Subscription for the Water Meter Test Equipment Software.

This contract will be effective December 13, 2016 through December 31, 2017. If determined that an extension is favorable to the 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.

Total cost is for the initial 12 months is $101,790.00. (Price Schedule Below).
## PRICE SCHEDULE

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Est Qty</th>
<th>UOM</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water Meter Test Equipment Software as a Service License Subscription</td>
<td>12</td>
<td>Month</td>
<td>$8,482.50</td>
<td>$101,790.00</td>
</tr>
</tbody>
</table>

**BASE YEAR TOTAL** $101,790.00

Extension Year 1 and 2: $101,790 plus not-to-exceed escalation of 10%.
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: December 14, 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 six tracts, which total 725.03 acres; 3,892 water Equivalent Dwelling Units (EDUs); and 3,270 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 M2G Stone Oak Tract is located within the City of San Antonio limits, outside the System’s water CCN and inside the wastewater CCN. The USA provides 307 EDUs of water and 300 EDUs of wastewater services.

- The Crestway Tract is located within the City of San Antonio Extra Territorial Jurisdiction, outside the System’s water CCN and outside the wastewater CCN. The USA provides 200 EDUs of water and 0 EDUs of wastewater services.

- The Anaqua Springs Unit 7 Tract is located within the City of San Antonio Extra Territorial Jurisdiction, outside the System’s water CCN and outside the wastewater CCN. The USA provides 10 EDUs of water and 0 EDUs of wastewater services.
The Steubing Tract is located within the City of San Antonio limits, inside the System’s water CCN and inside the wastewater CCN. The USA provides 2,420 EDUs of water and 2,015 EDUs of wastewater services and consists of oversized infrastructure.

The BCB Unit 15 Tract is located within the City of San Antonio limits, outside the System’s water CCN and inside the wastewater CCN. The USA provides 240 EDUs of water and 240 EDUs of wastewater services.

The Comanche Ridge Subdivision Tract is located within the City of San Antonio limits, inside the System’s water CCN and outside the wastewater CCN. The USA provides 715 EDUs of water and 715 EDUs of wastewater services.

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.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W  EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M2G Stone Oak Tract</td>
<td>M2G Stone Oak, Ltd</td>
<td>22.09</td>
<td>307</td>
<td>300</td>
<td>COSA</td>
<td>EARZ</td>
<td>CCN OUT IN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Crestway Tract</td>
<td>Dale Slinkard</td>
<td>42.58</td>
<td>200</td>
<td>0</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>CCN OUT OUT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Anaqua Springs Unit 7 Tract</td>
<td>Anaqua Springs Ranch, Inc.</td>
<td>15.52</td>
<td>10</td>
<td>0</td>
<td>COSA ETJ</td>
<td>EARZ</td>
<td>CCN OUT OUT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract</td>
<td>XJ 1869 Development, L.P.</td>
<td>448.9</td>
<td>2420</td>
<td>2015</td>
<td>COSA</td>
<td>EARZ</td>
<td>OVR IN IN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>BCB Unit 15 Tract</td>
<td>Brooks Development Authority</td>
<td>60.1</td>
<td>240</td>
<td>240</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>CCN OUT IN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Comanche Ridge Subdivision Tract</td>
<td>Ovaro Investments, LLC</td>
<td>135.84</td>
<td>715</td>
<td>715</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>CCN IN OUT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals**: 725.03 3,892 3,270

**Acronyms**:  
EARZ = Edwards Aquifer Recharge Zone  
OVR = Oversizing  
CCN = Certificate of Convenience and Necessity  
CZ = Edwards Aquifer Contributing Zone  
WW = Wastewater  
IFC = Impact Fee Credits  
CoSA = City of San Antonio limits  
ETJ = Extraterritorial Jurisdiction
EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:

Upon approval by the System of this USA, the Developer Customers have 36 months to complete the required utility master plan and to start construction. If a Developer Customer fails to complete these requirements within the 36-month period, the USA will expire and a request for a new agreement must be submitted to the System. During the effective term of this USA, capacity in the System’s water and wastewater systems will be set aside. The Developer Customers are not guaranteed capacity until all required off-site infrastructure is built by the Developer, accepted by the System, and all impact fees are paid.

FINANCIAL IMPACT:

In compliance with the System’s Board of Trustees water extension policy, Developer Customer applicants are responsible for financing all required local benefit facilities and for payment of all applicable impact fees. The Developers will contribute all impact fees in effect at the time of plat recordation or the latest date allowable by law for each subdivision unit. The fees to be collected by the System will be recorded in the Service Recovery Account and are estimated as follows, based on current charges and full build out of the tracts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Water Impact Fees</th>
<th>Wastewater Impact Fees</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M2G Stone Oak Tract</td>
<td>$1,466,539.00</td>
<td>$991,800.00</td>
<td>$2,458,339.00</td>
</tr>
<tr>
<td>2</td>
<td>Crestway Tract</td>
<td>$919,400.00</td>
<td>$0</td>
<td>$919,400.00</td>
</tr>
<tr>
<td>3</td>
<td>Anaqua Springs Unit 7 Tract</td>
<td>$48,610.00</td>
<td>$0</td>
<td>$48,610.00</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract</td>
<td>$11,560,340.00</td>
<td>$6,661,590.00</td>
<td>$18,221,930.00</td>
</tr>
<tr>
<td>5</td>
<td>BCB Unit 15 Tract</td>
<td>$1,103,280.00</td>
<td>$361,200.00</td>
<td>$1,464,480.00</td>
</tr>
<tr>
<td>6</td>
<td>Comanche Ridge Subdivision Tract</td>
<td>$3,415,555.00</td>
<td>$3,088,800.00</td>
<td>$6,504,355.00</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>$18,513,724.00</strong></td>
<td><strong>$11,103,390.00</strong></td>
<td><strong>$29,617,114.00</strong></td>
</tr>
</tbody>
</table>

The System is responsible for providing access to existing general benefit facilities and/or financing the construction of additional general benefit facilities.

OVERSIZING AND/OR IMPACT FEE CREDITS:

The following USAs have recommendations for the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or facilities based on the System’s Master Plan.
<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Oversize SAWS</th>
<th>Oversize Developer</th>
<th>Oversize Total</th>
<th>Oversize Developer (%)</th>
<th>Oversize System (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Steubing Tract 30-inch Sewer Main, Segment A</td>
<td>$198,000</td>
<td>$36,000</td>
<td>$234,000</td>
<td>15.38%</td>
<td>84.62%</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract 30-inch Sewer Main, Segment B</td>
<td>$1,113,840</td>
<td>$212,160</td>
<td>$1,326,000</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract 30-inch Sewer Main, Segment E</td>
<td>$1,560,000</td>
<td>$0</td>
<td>$1,560,000</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract 15-inch Sewer Main, Segment C</td>
<td>$105,300</td>
<td>$187,200</td>
<td>$292,500</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract 12-inch Sewer Main, Segment D</td>
<td>$133,447</td>
<td>$303,333</td>
<td>$436,780</td>
<td>69.45%</td>
<td>30.55%</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract 8-inch Sewer Main, segments eliminate lift stations</td>
<td>$364,000</td>
<td>$0</td>
<td>$364,000</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$3,474,587</strong></td>
<td><strong>$738,693</strong></td>
<td><strong>$4,213,280</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

Attachment:
1. 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>M2G Stone Oak Tract</td>
<td>M2G Stone Oak, Ltd</td>
<td>Plack Carr</td>
<td>CoSA</td>
<td>EARZ</td>
<td>10D/11A</td>
<td>22.09</td>
<td>307</td>
<td>300</td>
<td>Mudcreek</td>
<td>CCN</td>
</tr>
<tr>
<td>2</td>
<td>Crestway Tract</td>
<td>Dale Slinkard</td>
<td>Dale Slinkard</td>
<td>CoSA ETJ</td>
<td>OUTSIDE</td>
<td>950E</td>
<td>42.58</td>
<td>200</td>
<td>0</td>
<td>Salitrillo Creek-Martinez Creek</td>
<td>CCN</td>
</tr>
<tr>
<td>3</td>
<td>Anaqua Springs Unit 7 Tract</td>
<td>Anaqua Springs Ranch, Inc.</td>
<td>Tom Driess</td>
<td>CoSA ETJ</td>
<td>EARZ</td>
<td>12F</td>
<td>15.52</td>
<td>10</td>
<td>0</td>
<td>Headwaters Leon Creek</td>
<td>CCN</td>
</tr>
<tr>
<td>4</td>
<td>Steubing Tract</td>
<td>XJ 1869 Development, L.P.</td>
<td>Robert E. Schlott, III</td>
<td>CoSA</td>
<td>EARZ</td>
<td>10</td>
<td>448.9</td>
<td>2,420</td>
<td>2,015</td>
<td>Mudcreek</td>
<td>OVR</td>
</tr>
<tr>
<td>5</td>
<td>BCB Unit 15 Tract</td>
<td>Brooks Development Authority</td>
<td>Leo Gomez</td>
<td>CoSA</td>
<td>OUTSIDE</td>
<td>3</td>
<td>60.1</td>
<td>240</td>
<td>240</td>
<td>Salado Creek - San Antonio River</td>
<td>CCN</td>
</tr>
<tr>
<td>6</td>
<td>Comanche Ridge Subdivision Tract</td>
<td>Ovaro Investments, LLC</td>
<td>Fred Ghavidel</td>
<td>CoSA</td>
<td>OUTSIDE</td>
<td>9</td>
<td>135.84</td>
<td>715</td>
<td>715</td>
<td>Dietz Creek-Cibolo Creek</td>
<td>CCN</td>
</tr>
</tbody>
</table>

**Acronyms:**  
EARZ = Edwards Aquifer Recharge Zone  
CZ = Edwards Aquifer Contributing Zone  
CoSA = City of San Antonio limits  
OVR = Oversizing  
WW = Wastewater  
PZ = Pressure Zone  
ETJ = Extraterritorial Jurisdiction  
CCN = Edwards Aquifer Contributing Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A UTILITY SERVICE AGREEMENT TO PROVIDE WATER AND/OR WASTEWATER SERVICES TO THE SPECIFIED TRACTS OF LAND REQUIRING THE SAN ANTONIO WATER SYSTEM’S FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING OR IMPACT FEE CREDITS AND/OR ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM’S WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN), SUBJECT TO THE EXPIRATION OF SUCH AGREEMENTS IF NOT EXERCISED IN THIRTY-SIX MONTHS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Developer Customers, specified in the table below, have requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and have satisfied the requirements of the Board’s Regulation 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>
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<td>1</td>
<td>M2G Stone Oak Tract</td>
<td>M2G Stone Oak, Ltd</td>
<td>22.09</td>
<td>307</td>
<td>300</td>
<td>COSA</td>
<td>EARZ</td>
<td>CCN</td>
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<td>IN</td>
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<td>Crestway Tract</td>
<td>Dale Slinkard</td>
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<td>200</td>
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<td>OUTSIDE</td>
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<td>3</td>
<td>Anaqua Springs Unit 7  Tract</td>
<td>Anaqua Springs Ranch, Inc.</td>
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<td>Steubing Tract</td>
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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 will be honored for a period of thirty-six months, and that if not exercised during this period, the Utility Service Agreements will expire; now, therefore:

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

1. That the System hereby approves the Utility Service 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 14th day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary

Attachment
1. Project Maps
San Antonio Water System

Legend:
- Existing Water Main
- USA Tract
- Proposed Water Infrastructure Map
- Proposed Master PRV

Project Location

Outside SAWS Water CCN

Master PRV

M203 Stone Oak Tract
307 Water EDUs
300 Sewer EDUs
22.09 Acres
USA-15050
AGENDA ITEM NO. 8

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 IN CONNECTION WITH THE HIGHLAND ESTATES, UNIT 1 P.U.D. MONTANA PASS FLOATING GROUND STORAGE TANK PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $5,343,000.00 to Pesado Construction, Inc., a local/SBE-contractor on a Developer Customer construction contract, and authorizes payment in the amount of $5,343,000.00 for associated construction fees for the cost to oversize the water main to Pesado Construction, Inc., and reimbursements of $534,300.00 for associated design fees to SA Highland Estates, Inc. (the “Developer”).

- On April 2, 2013, by Resolution No. 13-090, 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 Highland Estates P.U.D., a 184.41-acre tract, being developed by the Developer and the construction of a 220,000 gallon storage tank, a 5,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the tract for future connections in order to conform with the Water Infrastructure Master Plan.

- The Developer is required to construct a pump station with the following infrastructure: a 220,000 gallon storage tank, a 5,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the Highland Estates Subdivision. System staff recommends oversizing the pump station with the following infrastructure: a 3,000,000 gallon storage tank, a 10,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the tract for future connections in order to conform with the Water Infrastructure Master Plan.

- The Developer is responsible for 7.33 percent of the construction of the storage tank and 50.00 percent of the construction of the hydro-pneumatic tank. The Developer’s share of the cost of the storage tank will be reduced by $195,000.00 in exchange for the Developer’s dedication of the 2-acre site for the construction of the pump station. The
System is responsible for 92.67 percent of the construction of the storage tank and 50.00 percent of the construction of the hydro-pneumatic tank. The Developer’s estimated share of the project is $243,578.90.

- The System solicited bids for the construction of the pump station. Upon Board authorization of the construction contract, SA Highland Estates, Inc., will enter into a contract with both the contractor and the System.

- This project consists of the construction of a pump station with the following infrastructure: a 3,000,000 gallon storage tank, a 10,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the Highland Estates Subdivision. The construction area is located over the Edwards Aquifer Contributing Zone. The tract is not located within a City Council District.

- Pesado Construction, Inc., has submitted the lowest responsible bid of $5,343,000.00 for construction of the project.

- The System will pay to Pesado Construction, Inc., monthly, for the System’s proportionate share of the costs for the construction of the pump station. The Developer will pay $243,578.90, 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 15-1177. The responsible low bid for the project was Pesado Construction, Inc. The applicable construction of the pump station payment will be made monthly to Pesado Construction, Inc., in accordance with the Utility Service Regulations. The applicable design fees payment will be made to the Developer. The System will contribute $5,099,421.10 for construction costs and $534,300.00 for associated design fees for a total cost of $5,633,721.10. The Developer will pay $243,578.90 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 October 26, 2016, at 9:00 AM. The following bids were accepted for submittal:

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<td>Pesado Construction, Inc.*</td>
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<td>Local/SBE</td>
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<tr>
<td>Archer Western Construction, LLC</td>
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<td>Payton Construction, Inc.</td>
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*Lowest Responsible Bidder

The Engineer’s Opinion of Probable Construction Cost Estimate for this project was $5,506,019.72. The contract provides for the completion of this project within 300 calendar days.

Sam Mills, P.E.  
Director  
Development  

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

APPROVED:

Robert R. Puente  
President/Chief Executive Office

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF PESADO CONSTRUCTION, INC., IN THE AMOUNT OF $5,343,000.00 FOR THE CONSTRUCTION OF A PUMP STATION IN CONNECTION WITH THE HIGHLAND ESTATES, UNIT 1 P.U.D. MONTANA PASS FLOATING GROUND STORAGE TANK PROJECT; AWARDING A CONSTRUCTION CONTRACT TO PESADO CONSTRUCTION, INC., IN THE AMOUNT OF $5,343,000.00 FOR THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT OF $5,099,421.10 FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT OF $534,300.00 FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE ENGINEERING DESIGN FEES; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $5,633,721.10 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 SA HIGHLAND ESTATES, INC., AND PESADO CONSTRUCTION, INC., AND PROVIDE PAYMENT IN AN AMOUNT NOT TO EXCEED $5,099,421.10 TO PESADO CONSTRUCTION INC., AND REIMBURSEMENTS OF $534,300.00 TO SA HIGHLAND ESTATES, INC., 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. 13-090, approved on April 2, 2013, the San Antonio Water System (the “System”) authorized the extension of water service within the Highland Estates P.U.D. a 184.41-acre tract being developed by SA Highland Estates, Inc., and the construction of a 220,000 gallon storage tank, a 5,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out
mains along boundaries of the tract for future connections in order to conform with the Water Infrastructure Master Plan; and

WHEREAS, SA Highland Estates, Inc., is required to construct a pump station with the following infrastructure: a 220,000 gallon storage tank, a 5,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the Highland Estates Subdivision; and

WHEREAS, the System’s staff recommends oversizing the pump station with the following infrastructure: a 3,000,000 gallon storage tank, a 10,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the tract for future connections in order to conform with the Water Infrastructure Master Plan; and

WHEREAS, SA Highland Estates, Inc., is responsible for 7.33 percent of the construction of the storage tank and 50.00 percent of the construction of the hydro-pneumatic tank; and

WHEREAS, SA Highland Estates, Inc.’s share of the cost of the storage tank will be reduced by $195,000.00 in exchange for SA Highland Estates, Inc.’s dedication of the 2-acre site for the construction of the pump station; and

WHEREAS, the System is responsible for 92.67 percent of the construction of the storage tank and 50.00 percent of the construction of the hydro-pneumatic tank; and

WHEREAS, the System has solicited bids for the Highland Estates, Unit 1 P.U.D. Montana Pass Floating Ground Storage Tank Project (the “project work”); and

WHEREAS, the project work includes the construction of a pump station; and

WHEREAS, Pesado Construction, Inc., a local/SBE contractor, submitted the bid of $5,343,000.00 for construction of the project and this bid is determined to be the lowest responsible bid; and

WHEREAS, SA Highland Estates, Inc., is responsible for funding their proportionate share of the construction of the project; and

WHEREAS, SA Highland Estates, Inc., is responsible for 7.33 percent of the project costs for construction of the pump station, and the System is responsible for 92.67 percent of the project costs for the construction of the pump station; and

WHEREAS, the System will pay to $5,099,421.10, monthly, for the System’s proportionate share of the cost of the construction of the pump station in accordance with the Utility Service Regulations; and
WHEREAS, the amount of $5,633,721.10 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 construction of the pump station; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Pesado Construction, Inc., in the amount of $5,343,000.00 for the project work, in connection with the Highland Estates, Unit 1 P.U.D. Montana Pass Floating Ground Storage Tank Project, (ii) to award a construction contract to Pesado Construction, Inc., in the amount of $5,343,000.00 for the project work, (iii) to authorize System funds in the amount of $5,099,421.10 for the project work, (iv) to authorize System funds in the amount of $534,300.00 for design fees, (v) to make available a total amount not to exceed $5,633,721.10 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 construction of the pump station, and (vi) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with SA Highland Estates, Inc., and Pesado Construction, Inc., for the project work and to provide payment in an amount not to exceed $5,099,421.10 to Pesado Construction, Inc., and reimbursements in an amount not to exceed $534,300.00 to SA Highland Estates, Inc., for the System’s cost to construct the pump station; now, therefore:

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

1. That the bid of Pesado Construction, Inc., in the amount of $5,343,000.00 for the project work in connection with the Highland Estates, Unit I P.U.D. Montana Pass Floating Ground Storage Tank Project is hereby accepted.

2. That a construction contract for the project work is hereby awarded to Pesado Construction, Inc., in the amount of $5,343,000.00.

3. That the expenditure of System funds in an amount of $5,099,421.10 for the System’s proportionate share of the project work is hereby approved.

4. That the expenditure of System funds in the amount of $534,300.00 for the System’s proportionate share of engineering design fees associated with the project work is hereby authorized and approved.

5. That a total sum not to exceed $5,633,721.10 consisting of the System’s proportionate share of the project work costs and engineering fees related to the construction of the pump station 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 SA Highland Estates, Inc., and Pesado Construction, Inc., and to further provide payment in an amount not to exceed $5,099,421.10 for the cost to construct a pump station to Pesado Construction, Inc., and reimbursements in an amount not to exceed $534,300.00 to SA Highland Estates, Inc., in accordance with the Utility
Service Regulations in connection with the Highland Estates, Unit 1 P.U.D. Montana Pass Floating Ground Storage Tank 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 14th day of December, 2016.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 9

TO: San Antonio Water System Board of Trustees

FROM: Michael L. Myers, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 14 AND AUTHORIZATION OF ADDITIONAL FUNDS FOR PROFESSIONAL ENGINEERING SERVICES IN CONNECTION WITH THE WATER RESOURCES INTEGRATION PROGRAM, PROJECT 1: PIPELINE, SEGMENT II PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 14 and amends Resolution No. 09-255 by authorizing additional funds to an existing professional engineering services contract with Civil Engineering Consultants in an amount not to exceed $455,541.32 for professional engineering services in connection with the Water Resources Integration Program (WRIP), Project 1: Pipeline, Segment II Project.

- The WRIP was identified in the 2012 Water Management Plan Update. The WRIP will deliver water from the Aquifer Storage and Recovery (ASR) Facility, Local Carrizo and Brackish Desalination programs to new and existing facilities in western and northwestern Bexar County.

- The WRIP consists of approximately 45 miles of transmission main beginning at the high service pump station located at the Twin Oaks/ASR Facility in south Bexar County, to the Old Pearsall Road Pump Station, and terminate at the Anderson Pump Station.

- Phase I of the WRIP is currently completing construction and includes the construction of the Twin Oaks West Pump Station, the Old Pearsall Road Pump Station and approximately 28 miles of water transmission main between the two pump stations. Phase 2 will consist of an additional 17 miles of transmission main beginning at the Old Pearsall Road Pump Station and terminating at the existing Anderson Pump Station and will include the required pump station upgrades to complete the Program.

- The Water Resources Integration Program Project 1: Pipeline, Segment II Project consists of approximately 16 miles of water transmission pipeline beginning at a point approximately one mile west of SH 16 in south Bexar County, and continues north - northwest to a point in southwest San Antonio, approximately two miles west of the new intermediate Old Pearsall Pump Station.
Approval of Contract Amendment No. 14 and Authorization of Additional Funds for Professional Engineering Services

Water Resources Integration Program Project 1: Pipeline, Segment II Project

- By Resolution No. 09-255, passed and approved on September 1, 2009, the San Antonio Water System’s Board of Trustees approved a professional services agreement in the amount of $2,599,894.00 with Civil Engineering Consultants, which included $2,311,107.00 for basic engineering services and $288,787.00 for supplemental engineering services in connection with the WRIP Project.

- Contract Amendment No. 14 includes additional professional engineering services related to the completion of the project design documents and additional professional services support. The total additional amount to complete the professional services is $455,541.32.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure, included in the CY 2015 Capital Improvement Program. This additional work is to be funded through a transfer from the Water Supply Core Business, Water Resources Category, WRIP Integration Mains - Somerset PS & Medina WTP budget line item. The amount is $455,541.32 for the integration engineering work. The job number is 09-8613-220.

The revised authorization for this project is as follows:

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<td>Contract Amendment No. 8 (No Board Action Required)</td>
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<td>Contract Amendment No. 9 (Resolution No. 15-145)</td>
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As a result of Contract Amendment No. 14, the new contract amount is $3,697,307.72. This represents a 42.2 percent increase in the original contract amount.

**SUPPLEMENTARY COMMENTS:**

The contract was amended with the no-cost Contract Amendment No. 1 on August 12, 2010. Due to the delay in the acquisition of the landowner rights-of-entry needed to perform the engineering services, this amendment allowed Civil Engineering Consultants to combine the Study, Report and Preliminary Design Phases as well as redistribute sub-consultant costs so work could continue as rights-of-entry were obtained.

Resolution No. 10-352, adopted on December 7, 2010, authorized Contract Amendment No. 2 with additional funds in the amount of $34,856.00 for additional professional engineering services associated with peer review. The purpose of peer review was for each consultant working on the WRIP to submit a copy of their design package to another WRIP design consultant to complete a peer constructability review.

Resolution No. 11-281, adopted on October 4, 2011, authorized Contract Amendment No. 3 with additional funds in the amount of $24,100.00 for an environmental subsurface investigation, pipeline design and development of construction requirements for a property within the alignment that had the potential for environmental impacts to the proposed pipeline.

Resolution No. 12-250, adopted on May 1, 2012, authorized Contract Amendment No. 4 with additional funds in the amount of $44,464.00 for redesign of the pipeline in order to move approximately 7,200 linear feet of pipeline alignment onto the BexarMet property and avoid a large easement acquisition from the Burlington Northern Santa Fe Railroad Company.

The contract was amended with the no-cost Contract Amendment No. 5 on August 28, 2012, to reallocate funds from one supplemental service to another. In this case, funds were moved from supplemental subsurface utility excavation services to the supplemental geotechnical services in order to complete the geotechnical testing for the design of the Medina River crossing for the project.

Resolution No. 14-249, adopted on September 10, 2013, authorized Contract Amendment No. 6 with additional funds in the amount of $300,000.00 to redesign the pipeline in order to allow for ultimate flow of up to 75 MGD.

The contract was administratively amended with Contract Amendment No. 7 on May 22, 2014, authorizing additional funds in the amount of $6,492.50 for condemnation hearing services, including expert witness testimony, data preparation and additional meetings associated with the acquisition of easements for the project.
Approval of Contract Amendment No. 14 and Authorization of Additional Funds for Professional Engineering Services Water Resources Integration Program Project 1: Pipeline, Segment II Project

The contract was administratively amended with Contract Amendment No. 8 on February 10, 2015, authorizing additional funds in the amount of $8,971.00 for additional survey plats and revisions to the design phase documents.

Resolution No. 15-145, adopted on July 7, 2015, authorized Contract Amendment No. 9 with additional funds in the amount of $110,360.50 for the development of program specific contract specifications, development of bid documents to satisfy the Texas Water Development Board (TWDB) funding requirements, cost analysis during contractor negotiations for the Request for Competitive Sealed Proposals process, additional survey plats for access easements, and contractor compliance monitoring related to TWDB funding during the construction phase.

The contract was amended with the no-cost Contract Amendment No. 10 on November 17, 2015, to reallocate funds from supplemental services to construction phase services. In this case, funds were moved from TWDB American Iron and Steel provisions compliance assistance to RFI response and shop drawing/submittal review in order to properly address remaining RFIs and submittals for the project.

Resolution No. 16-035, adopted on February 9, 2016, authorized Contract Amendment No. 11 with additional funds in the amount of $69,900.00 for the additional engineering services related to the design of an interconnection point from the WRIP pipeline to the Medina River Pump Station and related pump station upgrades.

The contract was amended with the no-cost Contract Amendment No. 12 on June 27, 2016, to reallocate funds from construction phase services to supplemental services. In this case, funds were moved from TWDB American Iron and Steel provisions compliance assistance to Survey Work.

Resolution No. 16-188, adopted on August 2, 2016, authorized Contract Amendment No. 13 with additional funds in the amount of $42,728.40 for the additional engineering services related to the design and bidding services of an interconnection point from the WRIP pipeline to the Medina River Pump Station and related pump station upgrades.

Michael L. Myers, P.E.
Director
Plants and Major Projects

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction
Approval of Contract Amendment No. 14 and Authorization of Additional Funds for Professional Engineering Services
Water Resources Integration Program Project 1: Pipeline, Segment II Project

APPROVED:

[Signature]

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 14 TO PROVIDE FOR ADDITIONAL ENGINEERING SERVICES TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH CIVIL ENGINEERING CONSULTANTS, IN AN AMOUNT NOT TO EXCEED $455,541.32 IN CONNECTION WITH THE WATER RESOURCES INTEGRATION PROGRAM, PROJECT 1: PIPELINE, SEGMENT II PROJECT; AMENDING RESOLUTION NO. 09-255, AS PREVIOUSLY AMENDED BY RESOLUTION NOS. 10-352, 11-281, 12-250, 13-249, 15-145, 16-035, AND 16-188, BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $455,541.32 FOR A TOTAL AUTHORIZATION AMOUNT NOT TO EXCEED $3,697,307.72 FROM THE SYSTEM’S PROJECT FUND FOR ADDITIONAL ENGINEERING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH CIVIL ENGINEERING CONSULTANTS, AND TO PAY CIVIL ENGINEERING CONSULTANTS, AN ADDITIONAL AMOUNT NOT TO EXCEED $455,541.32 FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is developing the Water Resources Integration Program (the “Program”) as part of its Long Range Water Resources Plan; and

WHEREAS, the Program will consist of approximately 45 miles of transmission main beginning at the high service pump station located at the Twin Oaks/ASR Facility in south Bexar County, to the Old Pearsall Road Pump Station, and terminate at the Anderson Pump Station. This program will require two new pump stations, the Twin Oaks West and Old Pearsall Road Pump Stations, and upgrades at the existing Anderson Pump Station; and

WHEREAS, the Water Resources Integration Pipeline, Project 1: Pipeline, Segment II Project (the “project work”) consists of approximately 16 miles of water transmission pipeline beginning at a point approximately one mile west of SH 16 in south Bexar County, and continue north-northwest to a point in southwest San Antonio, approximately two miles west of
the new intermediate Old Pearsall Pump Station; and

WHEREAS, the System’s Board of Trustees by Resolution No. 09-255, adopted September 1, 2009, originally approved the expenditure of $2,599,894.00 for professional engineering services in connection with the project work; and

WHEREAS, Contract Amendment No. 14 includes additional professional engineering services related to the completion of the project design documents and additional professional services support; and

WHEREAS, an additional amount to complete the professional engineering services associated with the project work is $455,541.32 and the amount for Contract Amendment No. 14 will not exceed $3,697,307.72 for the additional professional engineering services; and

WHEREAS, the required amount not to exceed $455,541.32 is available from the System’s Project Fund for additional professional engineering services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 14 to the existing professional services agreement with Civil Engineering Consultants, for additional engineering services in an amount not to exceed $455,541.32 in connection with the Water Resources Integration Program, Project 1: Pipeline, Segment II Project, (ii) to amend Resolution No. 09-255, as amended by Resolution Nos. 10-352, 11-281, 12-250, 13-249, 15-145, 16-035, and 16-188, by approving the expenditure of System funds in an amount not to exceed $455,541.32 to Civil Engineering Consultants, for a total authorization not to exceed $3,697,307.72 for the additional engineering services related to the project work, (iii) to make available the total amount not to exceed $455,541.32 from System’s Project Fund, and (iv) to authorize the System’s President/Chief Executive Officer or his duly appointed designee to execute an amendment to the professional services agreement with Civil Engineering Consultants, and pay an amount not to exceed $455,541.32 to Civil Engineering Consultants, for the additional engineering services; now, therefore:

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

1. That Contract Amendment No. 14 in an amount not to exceed $455,541.32 is hereby approved to provide for additional engineering services related to the existing professional services agreement with Civil Engineering Consultants, in connection with the Water Resources Integration Program, Project 1: Pipeline, Segment II Project.

2. That Resolution No. 09-255, as amended by Resolution Nos. 10-352, 11-281, 12-250, 13-249, 15-145, 16-035, and 16-188, is hereby amended by adding additional engineering services in an additional amount not to exceed $455,541.32 from the previous total amount of $3,241,766.40 to a revised total of $3,697,307.72.
3. That an amount not to exceed $455,541.32 is hereby made available and is to be expended from the System’s Project Fund for additional engineering services related to the project work.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the existing professional services agreement with Civil Engineering Consultants, and pay Civil Engineering Consultants, an amount not to exceed $455,541.32 for additional engineering services related to the project work.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 14th day of December, 2016.

__________________________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Michael L. Myers, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 5 AND AUTHORIZATION OF ADDITIONAL FUNDS FOR PROFESSIONAL ENGINEERING SERVICES IN CONNECTION WITH THE WATER RESOURCES INTEGRATION PROGRAM, PROJECT 1: PIPELINE, SEGMENT III PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 5 and amends Resolution No. 09-256, by authorizing additional funds to an existing professional engineering services contract with Freese and Nichols, Inc., in an amount not to exceed $881,005.00 for professional engineering services in connection with the Water Resources Integration Program (WRIP), Project 1: Pipeline, Segment III Project.

- The WRIP was identified in the 2012 Water Management Plan Update developed by the Water Resources Division. The WRIP will deliver water from the Aquifer Storage and Recovery (ASR) Facility, Local Carrizo and Brackish Groundwater Desalination programs to new and existing facilities in western and northwestern Bexar County.

- The WRIP consists of approximately 45 miles of transmission main beginning at the Twin Oaks West Pump Station, located at the Twin Oaks/ASR Facility in south Bexar County, to the Old Pearsall Road Pump Station, and then terminating at the Anderson Pump Station. This program will require two new pump stations and upgrades at the existing Anderson Pump Station.

- Phase I of the WRIP is currently completing construction and includes the construction of the Twin Oaks West Pump Station, the Old Pearsall Road Pump Station and approximately 28 miles of water transmission main between the two pump stations. Phase 2 will consist of an additional 17 miles of transmission main beginning at the Old Pearsall Road Pump Station and terminating at the existing Anderson Pump Station and will include the required pump station upgrades to complete the Program.

- The Water Resources Integration Program, Project 1: Pipeline, Segment III Project consists of approximately 14 miles of water transmission pipeline beginning at a point in southwest San Antonio, approximately 2.25 miles west of the new Old Pearsall Road Pump Station,
and continuing in a north-northwest alignment to the existing Anderson Pump Station.

- By Resolution No. 09-256, passed and approved on September 1, 2009, the San Antonio Water System’s Board of Trustees approved a professional services agreement in the amount of $2,489,120.00 with Freese and Nichols, Inc., which included $2,299,196.00 for basic engineering services, and $189,924.00 for supplemental engineering services in connection with the Water Resources Integration Program, Project 1: Pipeline, Segment III Project.

- Contract Amendment No. 5 includes additional professional engineering services related to the completion of the project design documents and additional professional services support. The total additional amount to complete the professional services is $881,005.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure, included in the CY 2015 Capital Improvement Program. This additional work is to be funded through a transfer from the Water Supply Core Business, Water Resources Category, WRIP Integration Mains - Somerset PS & Medina WTP budget line item. The amount is $881,005.00 for the integration engineering work. The job number is 09-8614-220.

The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 09-256)</td>
<td>$2,489,120.00</td>
</tr>
<tr>
<td>Contract Amendment No. 1 (Resolution No. 10-353)</td>
<td>422,198.00</td>
</tr>
<tr>
<td>Contract Amendment No. 2 (Resolution No. 12-251)</td>
<td>265,205.00</td>
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<td>Contract Amendment No. 3 (Resolution No. 13-154)</td>
<td>194,023.00</td>
</tr>
<tr>
<td>Contract Amendment No. 4 (Resolution No. 14-219)</td>
<td>24,180.00</td>
</tr>
<tr>
<td>Proposed Contract Amendment No. 5 this resolution</td>
<td>881,005.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$4,275,731.00</td>
</tr>
</tbody>
</table>

As a result of Contract Amendment No. 5, the new contract amount is $4,275,731.00. This represents a 71.8 percent increase in the original contract amount.

**SUPPLEMENTARY COMMENTS:**

Resolution No. 10-353, adopted on December 7, 2010, was for Contract Amendment No. 1 and authorized additional funds in the amount of $422,198.00 for additional professional engineering services required to design additional infrastructure at the Anderson Pump Station for recharge flow, review and update the program design standards and standard specifications, peer
constructability review, and the surveying and geotechnical services required due to realignment of the Water Resources Integration Program, Project 1: Pipeline, Segment III Project.

Resolution No. 12-251, adopted on May 1, 2012, was for Contract Amendment No. 2 and authorized additional funds in the amount of $265,205.00 for realignment design and coordination involved in a major reroute, a billing rate adjustment in accordance with the original contract, and revisions to plats and field notes as a result of high development in the project area.

Resolution No. 13-154, adopted on June 4, 2013, was for Contract Amendment No. 3 and authorized additional funds in the amount of $194,023.00 for Freese and Nichols, Inc., to design the cathodic protection system for the entire WRIP Program.

Resolution No. 14-219, adopted on September 9, 2014, was for Contract Amendment No. 4 and authorized additional funds in the amount of $24,180.00 for Freese and Nichols, Inc. to modify the original cathodic protection design for the three WRIP pipeline projects.

Michael L. Myers, P.E.
Director
Plants and Major Projects

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 5 TO PROVIDE FOR ADDITIONAL ENGINEERING SERVICES TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH FREESE AND NICHOLS, INC., IN AN AMOUNT NOT TO EXCEED $881,005.00 IN CONNECTION WITH THE WATER RESOURCES INTEGRATION PROGRAM, PROJECT 1: PIPELINE, SEGMENT III PROJECT; AMENDING RESOLUTION NO. 09-256, AS PREVIOUSLY AMENDED BY RESOLUTION NOS. 10-353, 12-251, 13-154, AND 14-219 BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $881,005.00 FOR A TOTAL AUTHORIZATION AMOUNT NOT TO EXCEED $4,275,731.00 FROM THE SYSTEM’S PROJECT FUND FOR ADDITIONAL ENGINEERING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH FREESE AND NICHOLS, INC., AND TO PAY FREESE AND NICHOLS, INC., AN ADDITIONAL AMOUNT NOT TO EXCEED $881,005.00 FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) is developing the Water Resources Integration Program (the “Program”) as part of its Long Range Water Resources Plan; and

WHEREAS, the Program consists of approximately 45 miles of transmission main beginning at the Twin Oaks West Pump Station, located at the Twin Oaks/ASR Facility in south Bexar County, to the Old Pearsall Road Pump Station, and then terminating at the Anderson Pump Station; and

WHEREAS, the Water Resources Integration Pipeline, Project 1: Pipeline, Segment III Project (the “project work”) consists of approximately 14 miles of water transmission pipeline beginning at a point in southwest San Antonio, approximately 2.25 miles west of the new Old Pearsall Road Pump Station, and continuing in a north-northwest alignment to the existing Anderson Pump Station; and
WHEREAS, the System’s Board of Trustees by Resolution No. 09-256, adopted September 1, 2009, originally approved the expenditure of $2,489,120.00 for professional engineering services in connection with the project work; and

WHEREAS, Contract Amendment No. 5 includes additional professional engineering services related to the completion of the project design documents and additional professional services support; and

WHEREAS, an additional amount to complete the professional engineering services associated with the project work is $881,005.00 for Contract Amendment No. 5 for a revised contract amount not to exceed $4,275,731.00; and

WHEREAS, the required amount not to exceed $881,005.00 is available from the System’s Project Fund for additional professional engineering services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 5 to the existing professional services agreement with Freese and Nichols, Inc., for additional engineering services in an amount not to exceed $881,005.00 in connection with the Water Resources Integration Program, Project 1: Pipeline, Segment III Project, (ii) to amend Resolution No. 09-255, as amended by Resolution Nos. 10-353, 12-251, 13-154 and 14-219, by approving the expenditure of System funds in an amount not to exceed $881,005.00 to Freese and Nichols, Inc., for a total authorization not to exceed $881,005.00 for the additional engineering services related to the project work, (iii) to make available the total amount not to exceed $881,005.00 from System’s Project Fund, and (iv) to authorize the System’s President/Chief Executive Officer or his duly appointed designee to execute an amendment to the professional services agreement with Freese and Nichols, Inc., and pay an amount not to exceed $881,005.00 to Freese and Nichols, Inc., for the additional engineering services; now, therefore:

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

1. That Contract Amendment No. 5 in an amount not to exceed $881,005.00 is hereby approved to provide for additional engineering services related to the existing professional services agreement with Freese and Nichols, Inc., in connection with the Water Resources Integration Program, Project 1: Pipeline, Segment III Project.

2. That Resolution No. 09-256, as amended by Resolution Nos. 10-353, 12-251, 13-154 and 14-219, is hereby amended by adding additional engineering services in an additional amount not to exceed $881,005.00 from the previous total amount of $3,394,726.00 to a revised total of $4,275,731.00.

3. That an amount not to exceed $881,005.00 is hereby made available and is to be expended from the System’s Project Fund for additional engineering services related to the project work.
4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the existing professional services agreement with Freese and Nichols, Inc., and pay Freese and Nichols, Inc., an amount not to exceed $881,005.00 for additional engineering services related to the project work.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 14th day of December, 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: RATIFICATION OF CHANGE ORDER NO. 3 AND 4 AND AUTHORIZATION OF ADDITIONAL FUNDS TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE OLD GRISsom ROAD FROM CULEBRA (FM 471) TO GRISsom ROAD PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Engineering and Construction in approving Change Order No. 3 in the amount of $11,018.00 and Change Order No. 4 in the amount of $7,070.00 and amends Resolution 15-281 by approving additional funds in the amount of $14,104.25 for reimbursement to the City of San Antonio (the “City”), in connection Old Grissom Road from Culebra (FM 471) to Grissom Road Project. This project is located in Council District 6.

- The City is currently constructing street improvements and a new pedestrian crossing in the project area illustrated on the attached maps. This project required adjustment of approximately 320 feet of 20-inch and 24-inch water mains and approximately two sewer manhole adjustments.

- Funds in the total amount of $235,870.87 were originally approved for the construction of this project by Resolution No. 15-281, adopted December 1, 2015, based on the low bid by EZ-Bel Construction, LLC.

- Change Order No. 1, in an amount not to exceed $13,270.29, provided for the additional temporary blow-off and additional tie-in due to concerns regarding potential pressure drop within the system, chlorinated water back-flowing to the existing water main during loading operations, and the demand of a 24-inch water main.

- Change Order No. 2, in an amount not to exceed $13,511.73, provided for changing the proposed gate valves to butterfly valves for water mains that are 20-inches or larger.

- During construction, it was discovered that an existing gas main was in conflict with the 24-inch water main to be plugged and abandoned as per the plan location. It was determined to relocate the plug to avoid the gas main which required a 4-inch permanent blow off to avoid potential issues with water quality for this dead-end water main.
Ratification of Change Order No. 3 and Change Order No. 4  and Authorization of Additional Funds
Old Grissom Road from Culebra (FM 471) to Grissom Road Project

- In addition, it was determined that the City’s proposed roadway work would require the adjustment of two additional existing manholes.

- The project, at the time of bid, established line item cost for adjusting a manhole. This line item price was used to establish the contractor’s proposal to adjust the additional two manholes. The contractor has agreed to perform the necessary manhole adjustments required to complete the project as a lump sum change order.

- Change Order No. 3, in the lump sum amount not to exceed $11,018.00, provides for the additional 4-inch permanent blow-off; and Change Order No. 4, in the lump sum amount not to exceed $7,070.00, provides for the two additional manhole adjustments. The contractor was authorized to perform the necessary additional work in order to avoid project delays and delay charges.

- Funds in the amount of $3,983.75 are available in the construction contingency for Change Order No. 3 and Change Order No. 4. The additional amount of $14,104.25 includes for the short fall for Change Order No. 3 and Change Order No. 4. The System work for this project is 90 percent complete.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The revised authorization for this project is as follows:

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<td>Previous Change Order Nos. 1 and 2</td>
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<td>Proposed Change Order Nos. 3 and 4</td>
<td>18,088.00</td>
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<td>Revised Contract Amount</td>
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<table>
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<td>Original Contingency Amount (Resolution No. 15-281)</td>
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<td>Proposed Additional Funds</td>
<td>14,104.25</td>
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<tr>
<td>Proposed Change Order Nos. 3 and 4</td>
<td>(18,088.00)</td>
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<tr>
<td>Remaining Contingency Balance</td>
<td>$0.00</td>
</tr>
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The new contract amount for the System’s work as a result of all change orders is $249,975.12, which represents an increase of 21.9 percent to the original amount.
Ratification of Change Order No. 3 and Change Order No. 4 and Authorization of Additional Funds
Old Grissom Road from Culebra (FM 471) to Grissom Road Project

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 $9,134.55 for additional construction contingency expenses. The job number is 13-5093-000.

The sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $4,969.70 for additional construction contingency expenses. The job number is 13-5593-000.

Kathleen M. Price, P.E.
Director
Pipelines

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

Robert R. Puente
President/Chief Executive Officer

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

OLD GRISSOM ROAD FROM CULEBRA (FM 471)
TO GRISSOM ROAD

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

OLD GRISOM ROAD FROM CULEBRA (FM 471) TO GRISOM ROAD

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AMENDING RESOLUTION NO. 15-281 BY APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $14,104.25 PAYABLE TO THE CITY OF SAN ANTONIO IN CONNECTION WITH THE OLD GRISSOM ROAD FROM CULEBRA (FM 471) TO GRISSOM ROAD PROJECT; APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $14,104.25 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR ADDITIONAL PROJECT WORK; RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF ENGINEERING AND CONSTRUCTION IN APPROVING CHANGE ORDER NO. 3 IN THE AMOUNT OF $11,018.00 AND CHANGE ORDER NO. 4 IN THE AMOUNT OF $7,070.00; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY THE CITY OF SAN ANTONIO AN ADDITIONAL AMOUNT NOT TO EXCEED $14,104.25 FOR ADDITIONAL 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”) is currently reconstructing the Old Grissom Road from Culebra (FM 471) to Grissom Road Project; and

WHEREAS, the replacement of certain San Antonio Water System (the “System”) water and sewer facilities were included in the City’s bid documents; and

WHEREAS, the Board of Trustees by Resolution No. 15-281, adopted December 1, 2015, originally approved the expenditure of $235,870.87 to pay for the System’s project work; and

WHEREAS, during construction, it was discovered that an existing gas main was in conflict with an existing 24-inch water main to be plugged and abandoned, therefore the plug location was moved and a 4-inch permanent blow off was installed to avoid potential issues with water quality for this dead-end water main; and

WHEREAS, in addition, two additional existing manholes required adjustment (the “additional project work); and

WHEREAS, Change Order No. 3 in the amount of $11,018.00 and Change Order
WHEREAS, the additional project work cost exceeds the amount available by $14,104.25; and

WHEREAS, additional System funds in an amount not to exceed $14,104.25 are required in connection with the project work; and

WHEREAS, the total amount of $14,104.25 is available from the System’s Project Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to amend Resolution No. 15-281 by approving the expenditure of an additional amount not to exceed $14,104.25 payable to the City of San Antonio in connection with the Old Grissom Road from Culebra (FM 471) to Grissom Road Project, (ii) to expend an additional sum not to exceed $14,104.25 from the System’s Project Fund for additional project work, (iii) to ratify the action of the Vice President of Engineering and Construction in approving Change Order No. 3 in the amount of $11,018.00 and Change Order No. 4 in the amount of $7,070.00 for the additional project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to pay an additional amount not to exceed $14,104.25 to the City of San Antonio for additional project work; now, therefore:

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

1. That Resolution No. 15-281 is hereby amended by increasing the amount approved for payment to the City in connection with the Old Grissom Road from Culebra (FM 471) to Grissom Road Project by $14,104.25.

2. That an additional sum not to exceed $14,104.25 is hereby made available and is to be expended from the System’s Project Fund.

3. That the actions of the Vice President of Engineering and Construction in approving Change Order No. 3 in the amount of $11,018.00 and Change Order No. 4 in the amount of $7,070.00 for the additional project work in connection with the Old Grissom Road from Culebra (FM 471) to Grissom Road Project are hereby ratified.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the City an additional amount not to exceed $14,104.25 for additional project work in connection with the Old Grissom Road from Culebra (FM 471) to Grissom Road 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. In 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 14th day of December, 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 ADVANCE FUNDING AGREEMENT AND AUTHORIZING EXPENDITURES OF FUNDS TO THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE FM 1560 CULVERT REPLACEMENT PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) and authorizes expenditures to TxDOT in the amount not to exceed $83,179.41 for the joint construction of water facility adjustments in connection with the FM 1560 Culvert Replacement Project. This project is located in the City of Helotes.

- TxDOT intends to replace the existing drainage culvert with a new bridge along the FM 1560 Culvert Replacement Project in the area illustrated on the attached maps. The TxDOT drainage cost estimate is $1,476,857.00 for the TxDOT work.

- Due to the addition of a bridge within the FM 1560 Culvert Replacement Project, the existing water mains constructed between 1975 and 1984 require surface adjustments to avoid conflicts with proposed TxDOT improvements.

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

- The water adjustment work will consist of approximately three water valve boxes, two services, one fire hydrant adjustment and concrete encasement.

- Funds authorized for this project will be transferred to TxDOT following Board approval and execution of the Advance Funding Agreement.

- The letting date for this project is January 2017.

Staff recommends that the Board approve this resolution.
Approval of an Advance Funding Agreement and Expenditure of Funds to the Texas Department of Transportation for the FM 1560 Culvert Replacement 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 $83,179.41 for water work. The job number is 16-5041-000.

Kathleen M. Price, P.E.
Director
Pipelines

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

Robert R. Puente
President/Chief Executive Officer

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

LEGEND

★ PROJECT SITE

EDWARDS AQUIFER RECHARGE ZONE

FM 1560 CULVERT REPLACEMENT
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

FM 1560 CULVERT REPLACEMENT

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN ADVANCE FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE ADVANCE FUNDING AGREEMENT FOR THE ADJUSTMENT OF WATER FACILITIES BY THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE FM 1560 CULVERT REPLACEMENT PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $83,179.41 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Texas Department of Transportation (TxDOT) intends to replace the existing drainage culvert with a new bridge along the FM 1560 Culvert Replacement Project; and

WHEREAS, the FM 1560 Culvert Replacement Project will require the adjustment of certain water facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work will consist of the adjustment of approximately three water valve boxes, two services, one fire hydrant and concrete encasement; and

WHEREAS, TxDOT has requested that the System execute an Advance Funding Agreement and advance funds for the project work costs; and

WHEREAS, System funds in an amount not to exceed $83,179.41 are required for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Advance Funding Agreement with TxDOT for the adjustment of water facilities in connection with the FM 1560 Culvert Replacement Project and to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Advance Funding Agreement, and (ii) to authorize the expenditure of funds in the amount not to exceed $83,179.41 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Advance Funding Agreement with TxDOT is hereby approved and the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Advance Funding Agreement with TxDOT in connection with the FM 1560 Culvert Replacement Project.

2. That the expenditure of funds in the amount of $83,179.41 for the adjustment of water facilities by TxDOT in connection with the FM 1560 Culvert Replacement Project is hereby authorized.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including 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 14th day of December, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 13

TO: San Antonio Water System Board of Trustees

FROM: Karen L. Guz, Director, Conservation, and Donovan S. Burton, Vice President, Water Resources, Conservation and Governmental Relations

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

SUBJECT: APPROVING A SMART WATER MANAGEMENT CUSTOM REBATE AGREEMENT WITH THE DOMINION HOMEOWNERS ASSOCIATION FOR THE INSTALLATION, MANAGEMENT AND EFFICIENCY UPGRADES INCLUDED IN A SMART WATER MANAGEMENT IRRIGATION SYSTEM

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Smart Water Management Custom Rebate Agreement with the Dominion Homeowner Association (HOA) for the installation, management and efficiency upgrades included in a Smart Water Management Irrigation System. Total performance rebates paid over a five year period will not exceed $97,053.22.

- San Antonio Water System (SAWS) Conservation Department encourages the use of alternative landscape designs that reduce the need for supplemental water to promote the approved Water Management Plan goals through peak water conservation.

- Incentive rebates are used to improve the return on investment for retrofits and to encourage the adoption of innovative designs that use less water than traditional alternatives.

- The Custom Rebate Agreement provides a structure for calculating a customized rebate using both long-term water savings for an individual customer and total costs of the project.

- Conservation staff has worked with the Dominion HOA proactively since 2015 to document the water savings achieved through their Smart Water Management System upgrades.

- A Smart Water Management System incorporates flow sensors, cloud-based controller settings, alerts for leaks and reports on total water consumed. Incentive agreements for the systems will give SAWS staff viewing rights to all of the software.

- The Dominion HOA is a large property challenged by the monitoring of 98 dedicated irrigation meters and many associated irrigation system controllers. Efficiency upgrades have included removal of grass, irrigation equipment retrofits to achieve efficient application of water and installation of a Smart Water Management System. The project is projected to save over 18 million gallons each year. When savings metrics are achieved
the Dominion HOA will be paid no more than $20,000.00 per year for five years. The rebate for the first year of the Custom Rebate Agreement has been calculated and is $17,053.22.

- Monthly water usage may not exceed agreed upon levels and annual consumption must also be within agreed upon guidelines to earn the maximum annual rebate of $20,000.00. Payments will be reduced proportionately if targets are not met.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

Conservation funds will be made available from the System Fund. The total amount is not to exceed $97,053.22. The first two performance payments will be paid from System Funds budgeted in the 2016 budget (Company: 1000, Accounting Unit: 5012000, Account: 511219, total 2016 amount: $37,053.22). Subsequent payments will be paid from System Funds contingent upon approved budgets (Company: 1000, Accounting Unit: 5012000, Account: 511219).

\[\text{Karen L. Guz, Director} \quad \text{Donovan S. Burton, Vice President}\]
\[\text{Conservation Department} \quad \text{Water Resources, Conservation and Governmental Relations}\]

\[\text{APPROVED:}\]

\[\text{Robert R. Puente} \quad \text{President/Chief Executive Officer}\]
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A SMART WATER MANAGEMENT CUSTOM REBATE AGREEMENT WITH THE DOMINION HOMEOWNERS ASSOCIATION FOR THE INSTALLATION, MANAGEMENT AND EFFICIENCY UPGRADES OF A SMART WATER MANAGEMENT IRRIGATION SYSTEM; THE REBATES IN AGGREGATE ARE NOT TO EXCEED $97,053.22; AUTHORIZING THE EXPENDITURE OF AN AMOUNT NOT TO EXCEED $97,053.22 FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A COMMERCIAL CUSTOM REBATE AGREEMENT WITH THE DOMINION HOMEOWNERS ASSOCIATION AND TO PAY THE DOMINION HOMEOWNERS ASSOCIATION AN AMOUNT NOT TO EXCEED $97,053.22 FOR LANDSCAPE AND IRRIGATION UPGRADES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, conserving water in the San Antonio region has been identified by the San Antonio Water System (the “System”) as a cost-effective approach to managing water resources; and

WHEREAS, one of the ways to conserve water is to provide incentive rebates for projects that serve as models for Residential and General Class customers; and

WHEREAS, the System has established the Commercial Conservation Program to achieve reductions in General Class water consumption; and

WHEREAS, the Smart Water Management Custom Rebate Agreement (the “Agreement”) has been identified as a means of reducing water consumption among General Class customers; and

WHEREAS, it is beneficial for the System to promote sound water conservation practices well into the future; and

WHEREAS, the System’s Conservation staff has worked closely with The Dominion Homeowners Association (the “HOA”) for the purpose of identifying and bringing forth projects that will reduce annual water consumption; and
WHEREAS, based on pre and post audits, the conservation upgrades that include replacing high water use plants with watersaver plants, removing spray irrigation and installation of Smart Water Management technology will result in a savings of over 18 million gallons per year carried out by The Dominion HOA; and

WHEREAS, the authorized expenditure in the amount not to exceed $97,053.22 is available from the System Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve a Smart Water Management Custom Rebate Agreement with the Dominion Homeowners Association for the installation, management and efficiency upgrades of a Smart Water Management Irrigation System, (ii) to authorize the expenditure of an amount not to exceed $97,053.22 from the System Fund for the implementation of a Smart Water Management System and for landscape and irrigation upgrades, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a Smart Water Management Custom Rebate Agreement and to pay the Dominion Homeowners Association an amount not to exceed $97,053.22 for landscape and irrigation upgrades; now, therefore:

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

1. That the Smart Water Management Custom Rebate Agreement with the Dominion HOA in substantially the form attached hereto as Attachment I, is hereby approved.

2. That a total amount not to exceed $97,053.22 for the implementation of the Agreement is hereby made available and is to be expended from the System Fund.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Agreement in substantially the form attached hereto as Attachments I to pay an amount not to exceed $97,053.22 to the Dominion HOA for the implementation of a Smart Water Management System and landscape irrigation improvements.

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 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.
6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 14th day of December, 2016.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
   I. Smart Water Management Custom Rebate Agreement
ATTACHMENT I

SAN ANTONIO WATER SYSTEM
SMART WATER MANAGEMENT CUSTOM REBATE AGREEMENT

THIS AGREEMENT is made and entered into effective as of the ___ day of ______, 2016 (“Effective Date”) by and between the San Antonio Water System (“SAWS”), an municipally owned utility of the City of San Antonio, and The Dominion Home Owners’ Association, a non-profit corporation (“Customer”).

WHEREAS, the conservation of potable water benefits the City of San Antonio and its citizens, and SAWS and its customers; and

WHEREAS, SAWS is continuously seeking new opportunities to reduce water consumption by providing incentives to those commercial customers that choose to implement a water reduction Smart Water Management System (“System”) and provide data derived from its System to SAWS; and

WHEREAS, incentives for the installation of a System may be in the form of financial contributions to Smart Water Management Custom Rebate projects, and other conservation courtesies; and

WHEREAS, the SAWS Smart Water Management Custom Rebate seeks to reduce water consumption by providing qualified commercial customers with financial assistance and other courtesies based on water reduction that offset a portion of the cost of installing a new System and help maximize the efficiency of the System; and

WHEREAS, Customer is a commercial user served by SAWS and seeks incentives under SAWS’ Smart Water Management Custom Rebate for the installation of a new System;

WHEREAS, SAWS staff has received an extensive overview of the System features and a live demonstration of the System Management Interface Software features and functions, has reviewed the System features of the Customer’s Smart Water Management system, and has determined that Customer’s installation of the selected System merits an incentive; and

WHEREAS, SAWS and Customer agree that the Customer has installed such System as of the date of this Agreement,

NOW THEREFORE, the Parties hereto agree as follows:

1.0   The Smart Water Management Custom Rebate.

1.01 Smart Water Management Custom Rebate Equipment. The water reduction equipment subject to this Agreement, and for which an incentive is authorized, will be detailed and itemized in a formal Equipment List. The Equipment List will be provided to SAWS within sixty (60) days of the signing of this agreement.

1.02 Smart Water Management Custom Rebate Site. The Site at which the Smart Water Management Equipment is, or will be, installed will be illustrated in detail in the Site Map. The Site Map will be provided to SAWS within sixty (60) days of the signing of this agreement.

2.0 Customer Obligations.
2.01 Purchase, Installation and Maintenance of Equipment. At Customer’s sole risk, cost and expense, Customer agrees to purchase and install the Smart Water Management System at the Site prior to the issuance of any incentives by SAWS. As of the Effective Date, Customer represents and warrants that it has installed the Smart Water Management System at the Site in compliance with the applicable manufacturer’s installation instructions, guidelines and directions covering all parts and aspects of the Smart Water Management System, including the System Management Interface Software. At Customer’s sole risk, cost and expense, Customer agrees to keep the Smart Water Management System in good working condition at the Site for the Term of this Agreement. Customer agrees to provide documentation of all System upgrades and associated costs to SAWS at the time the upgrade is made.

2.02 Smart Water Management System Requirements. The Customer’s Smart Water Management System must have the following capabilities: flow sensors that measure flow rate and record volume during irrigation events; flow sensors that can be set to record high and low flow rates for the System; flow sensors that have the capability to learn the main line flow rate threshold; and flow sensors that have the capability to learn individual zone flow rates and to shut down individual zones when high flows are detected. The central control system and the Site Manager’s Software must have remote monitoring and System management capabilities from any internet device. Specifically, remote monitoring and System management have the following remote real-time features: viewing of flow rates, changing the System schedule(s), notification of unscheduled flow(s), and System shut down. Additionally, the Smart Water Management System must be able to generate data reports such as, but not limited to, System schedules and flow rate events including monthly water use and a list of any notifications or alarms received from the Smart Water Management System in a given month.

2.03 Irrigation System Reference Map. The Customer will provide SAWS with an irrigation system map that identifies the location of all irrigation system controllers and the SAWS irrigation meter(s) associated with each irrigation system controller for all irrigation systems at the Site. Attached to the map will be a reference table with the following information for all irrigation system controllers: controller identification number or name, whichever is shown on the map; the controller make and model; meter(s) number(s) associated with each controller; the service address listed on the SAWS account; and the location of all other physical equipment that is part of the Smart Water Management System including flow sensors and the master valves for each controller.

2.04 Peak Season Schedule and Maintenance Agreement. The Customer and SAWS will agree to a peak season schedule for all controllers and zones at the Site. The peak season schedule will reflect the most water the Customer would ever expect to apply during the hottest driest months of the year. The peak season schedule will include the maximum weekly run times and maximum weekly application rate for each zone type in the system (Spray, Rotor, Drip, Bubbler). Future development plans for the Site must be documented and taken into consideration when any peak season schedule changes are made.

2.05 SAWS View-Only Access. SAWS will have view-only remote access to the central control and site management software to view all system activity including current system schedules, run times, flow rate events, and notifications. SAWS will also have authority to run system reports or request specific system data reports from the property manager.

2.06 Data Compilation. SAWS may, at its discretion, review, compile, and analyze water consumption data in connection with this Agreement. SAWS will provide Customer with any analytical results of all compiled data upon receipt of Customer’s written request for such information. The provisions of this Section 2.06 shall survive the expiration of this Agreement.

2.07 Term. The Term of this Agreement is five (5) years.
2.08 Compliance with Laws, Regulations, and Ordinances. Customer shall be solely responsible for insuring that the installation and operation of the Retrofit Equipment meets all Federal, State, and local regulatory and permit requirements.

2.09 Provision of Invoices. Customer agrees to provide SAWS copies of all invoices, receipts or statements associated with the purchase and installation of the Smart Water Management System prior to the issuance of any rebates, or as requested in writing by SAWS. Customer agrees to provide SAWS with any other reasonable and customary information reasonably requested by SAWS which is related to the Smart Water Management System, such as maintenance and repair records.

2.10 Right to Inspect. Customer agrees to grant SAWS or its authorized representative(s) reasonable access to the Site for the sole purpose of inspecting the use and operation of the Smart Water Management system. SAWS agrees to provide Customer written notice prior to inspection.

2.11 Compliance with Regulations. During the Term of this Agreement, Customer agrees to comply with all applicable (i) drought and water conservation laws, ordinances, rules and regulations and (ii) water quality laws, ordinances, rules and regulations (all of the foregoing being “Applicable Rules”). Notwithstanding the foregoing, if Customer is a governmental entity, Customer agrees that it will comply with said Applicable Rules as if Customer were a private entity, and there is no exception to compliance with Applicable Rules in this Section 2.11 for governmental entities, nor may the Applicable Rules be deemed “not applicable” to governmental entities for purposes of this Section 2.11.

3.0 SAWS’ Obligations and Rights.

3.01 Issuance of Incentive(s). SAWS will reimburse amounts to the Customer to assist the Customer with the installation expenses of the Smart Water Management System. The reimbursement amounts shall be paid on an annual basis as provided for in Attachment “A”. These annual amounts shall be paid by SAWS to the Customer as they are earned as provided for in Attachment “A”. Once earned by the Customer and paid by SAWS, there shall be no recovery of the rebate amount from the Customer to SAWS.

3.02 Conservation Courtesies. For the Term of the Agreement: SAWS will accept data collected by the Smart Water Management system for Irrigation Checkups and Large Property Variance applications; data from the system may be used by SAWS Conservation to calculate future incentives for the Customer for upgrades and improvements to the Smart Water Management system; and the Customer will have the assistance of a dedicated staff member from SAWS Conservation to monitor the performance of the Smart Water Management system, and to work with the property manager and irrigator to evaluate performance and maintenance issues.

3.03 SAWS Administrator of Agreement. The designated administrator of this Agreement for SAWS for all purposes is Brandon Leister, 2800 U.S. Hwy 281 North, San Antonio, Texas 78212. SAWS may, at its sole discretion, change the designated administrator of this Agreement at any time.

3.04 Publication of Data. Customer acknowledges and agrees that SAWS may publish, advertise, or disclose any and all data or information compiled, gathered or assembled by SAWS in connection with this Agreement, including but not limited to, water consumption data, water reduction, Smart Water Management system, Site(s), installation costs, and SAWS financial contribution(s). SAWS agrees to provide Customer with copies of any such publications, advertisements or disclosures upon receipt of Customer's written request for such information.

4.00 Miscellaneous
4.01 Governing Law. This Agreement shall be governed and construed in all respects, including validity, interpretation, and effect, by the laws of the State of Texas.

4.02 Venue. The obligations and undertaking of each of the parties to this Agreement shall be performed in Bexar County, Texas, and venue for any litigation shall be in Bexar County, Texas.

4.03 No Third Party-Beneficiary. SAWS and Customer enter into this Agreement solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege or benefit on any person or entity other than the parties hereto and their permitted assigns.

4.04 Captions. The captions and headings appearing in this Agreement are inserted merely to facilitate reference and are not to be considered a part of this Agreement and in no way shall they affect the interpretation of any of the provisions of this Agreement.

4.05 Modification. This Agreement may be modified only by an instrument signed by the duly authorized representatives of each of the parties.

4.06 Waiver. Any waiver at any time by either party with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

4.07 Approvals. All approvals and agreements by either party that are required or contemplated under this Agreement must be in writing unless other means are specifically permitted, and must be signed by the person authorized to give such approvals and make such agreements for that party. The persons authorized to give such approvals and make such agreements for the parties shall, until changed as hereinafter provided, be as follows: for Customer, the undersigned representative, and for SAWS, the undersigned representative. Each party shall have the right from time to time and at any time to change the person authorized to give such approvals and make such agreements by giving at least five (5) days’ written notice to the other party.

4.08 Force Majeure. If either party is rendered unable by Force Majeure to carry out, in whole or in part, its obligations under this Agreement and such party gives the other written notice and full details of the event causing nonperformance within (10) business days of the event, including anticipated extent of such delay, then during the pendency of such Force Majeure but for no longer period, such party shall be excused from its obligations under this Agreement to the extent required, other than to make payments due, and shall not be liable for any loss or damage for delay or for nonperformance due to Force Majeure. For purposes of this Agreement, Force Majeure shall mean any event or act not reasonably within a party’s control, including but not limited to, acts of God, strikes, lock-outs, or other industrial disturbances, acts of the public enemy, orders of any kind of the federal or state government, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals.

4.09 Indemnification. Customer agrees to and shall indemnify and hold harmless the City of San Antonio and SAWS, its officers, agents and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney’s fees, for injury to or death of any person, or for damage to any property, arising out this Agreement or in connection with the installation, maintenance, repair, use, or operation of the Retrofit Equipment, REGARDLESS OF WHETHER SUCH INJURY, DEATH, OR DAMAGE IS CAUSED IN PART OR THROUGH THE SOLE OR CONCURRENT NEGLIGENCE OF SAWS OR ITS AUTHORIZED REPRESENTATIVES. It is the expressed intention of the parties hereto, that the indemnity provided for in this paragraph is indemnity by
Customer to indemnify and protect the City of San Antonio and SAWS FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE.

4.10 Entire Agreement. This Agreement contains the entire agreement between SAWS and Customer and contains all of the terms and conditions agreed upon. This Agreement supersedes all other arrangements, oral or otherwise, regarding the subject of the Agreement.

4.11 Severability. Should any part, paragraph, sentence, clause, or word of this Agreement for any reason be held illegal, inoperative, or invalid, or if any exception to or limitation upon any general provision herein contained be held to be invalid or ineffective, the remainder shall nevertheless stand effective and valid as if this Agreement had been executed without the portion held to be invalid or ineffective.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Agreement to be duly executed as of the _____ day of __________________, 201__.

SAN ANTONIO WATER SYSTEM

By ________________________________
Title - President and CEO

Dominion Home Owners’ Association

By ________________________________
Title - ____________________________
ATTACHMENT "A"

1.0 Payment of Rebate

- August 31, 2015 is the completion date of the installation of the Smart Water Management System.

- The rebate for any one year shall not exceed $20,000.
  - If a rebate for any one year is less than $20,000 the difference between $20,000 and the rebate amount shall not carry forward to subsequent years.
  - The total rebate over the term of this agreement shall not exceed $100,000.
  - The rebate will be calculated on an annual basis over the term of this agreement which is 5 years.
  - The first rebate is to occur with the signing of this agreement for the 2015 year, to be paid when all obligations of the rebate program have been fulfilled and approved by both all parties.
  - Subsequent rebates will occur on an annual basis and will be paid on January 1st of the year following the calculation.

- Rebate payments are subject to the Dominion Home Owners Association maintaining their Annual Commercial Irrigation Check-up compliance as well as compliance with other regulations that may periodically be in effect such as drought restrictions.

- Rebate payments are subject to the Dominion Home Owners Association not exceeding the agreed upon Peak Season schedule and system leak repair response.
  - The Customer and SAWS will agree to a peak season schedule for all controllers and zones at the Site.
  - The peak season schedule will reflect the most water the Customer would ever expect to apply during the hottest driest months of the year.
  - The peak season schedule will include the maximum weekly run times and maximum weekly application rate for each zone type in the system.
  - Future development plans for the Site must be documented and taken into consideration when any peak season schedule changes are made.
  - Amounts will not be adjusted for leaks because the smart water management system should allow prompt repairs.

2.0 Calculation of the Annual Rebate Amount

The annual rebate amount shall be calculated in the following manner:

- The year-end shall be December 31st.

- The base year usage amount has been calculated to be 18,750,000. (See Seasonal Adjust Chart Below)
  - Base year amount is calculated utilizing the maximum Peak Season Schedule incorporating a Seasonal Adjustment appropriate to San Antonio.
  - It is understood that there will be some months when consumption will be under the monthly seasonal amount and other months when it will be over. The key to the annual performance is to not exceed the total for the year.
- If the total amount used in a year is over the base usage, there will be no performance payment for that year.
  - Monthly consumption totals may reduce the overall rebate amount.
- If during any month usage exceeds the predetermined maximum allocation, the annual rebate amount will be reduced according to the percent.

The chart below is used to calculate the annual maximum base amount:

<table>
<thead>
<tr>
<th>Seasonal Adjustment (Percentage)</th>
<th>Estimated Monthly Consumption with Seasonal Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>500,000</td>
</tr>
<tr>
<td>February</td>
<td>500,000</td>
</tr>
<tr>
<td>March</td>
<td>1,250,000</td>
</tr>
<tr>
<td>April</td>
<td>1,250,000</td>
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<tr>
<td>May</td>
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<td>June</td>
<td>2,000,000</td>
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<tr>
<td>July</td>
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<tr>
<td>August</td>
<td>2,500,000</td>
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<tr>
<td>September</td>
<td>2,500,000</td>
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<tr>
<td>October</td>
<td>2,000,000</td>
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<tr>
<td>November</td>
<td>1,250,000</td>
</tr>
<tr>
<td>December</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,750,000</strong></td>
</tr>
</tbody>
</table>

The table below shows how the peak amount may impact the total rebate. The current estimate for the Dominion HOA peak amount is 2.5 million gallons per month. This is the maximum expected during hottest, driest month of the year.

Note that it should be unusual for this to be a challenge except during the hottest and driest months of the year.
<table>
<thead>
<tr>
<th>Seasonal Adjustment (Percentage)</th>
<th>Estimated Monthly Consumption with Seasonal Adjustment</th>
<th>2015 Monthly Consumption</th>
<th>Monthly Percentage Over Max Peak</th>
<th>Amount Deducted from $20000</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 20</td>
<td>500,000</td>
<td>444,367</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 20</td>
<td>500,000</td>
<td>379,279</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 50</td>
<td>1,250,000</td>
<td>541,619</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 50</td>
<td>1,250,000</td>
<td>632,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 80</td>
<td>2,000,000</td>
<td>431,647</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 80</td>
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<td>1,282,236</td>
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<td></td>
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<tr>
<td>July 100</td>
<td>2,500,000</td>
<td>2,825,563</td>
<td>13.02</td>
<td>$2,604.50</td>
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<td>August 100</td>
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<td>2,230,076</td>
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<td>$342.28</td>
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<td>September 100</td>
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<td>2,542,785</td>
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<td>November 50</td>
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<td>1,074,264</td>
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<td>December 20</td>
<td>500,000</td>
<td>479,530</td>
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<td><strong>Total</strong></td>
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<td><strong>14,979,868</strong></td>
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<td><strong>$2,946.78</strong></td>
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This table illustrates how 2015 actual consumption compared to expected seasonal adjustments. Consumption measured in gallons. It is understood that actual monthly consumptions will not exactly match seasonal estimate. *The key is to stay under max peak for the year.

Note: Monthly consumption values used were billed the following month

Example: July consumption billed in August

3.0 Initial Year Rebate Calculation

The initial year rebate amount is $17,053.22 and resulted in 11.57 acre-feet of water saved. Based on analysis of the information provided by SAWS and the Customer and verification of production and equipment flow rates, the authorized rebate amount is $17,053.22 for the initial year.
AGENDA ITEM NO. 14

TO: San Antonio Water System Board of Trustees

FROM: Karen L. Guz, Director, Conservation, and Donovan S. Burton, Vice President, Water Resources, Conservation and Governmental Relations

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

SUBJECT: APPROVING AN AGREEMENT WITH THE SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC., FOR TWO WATER CONSERVATION EDUCATION PROJECTS AND SAWS BRANDING AND NAMING OF THE NEW DISCOVERY CENTER

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves an Agreement with the San Antonio Botanical Garden Society, Inc., (Garden) for the permanent naming rights to the new San Antonio Botanical Garden Discovery Center to include San Antonio Water System (SAWS) informational updates for $250,000.00, and fund a two phase project that includes: (i) concept design, and (ii) redevelopment of SAWS WaterSaver Lane demonstration garden that is utilized as an educational showcase highlighting different types of landscape designs for the purpose of demonstrating the relationship between landscape design and water conservation for $100,000.00. The Agreement is not to exceed $350,000.00.

- The new $21 million expansion of the Garden site includes the development of eight acres under the Garden GROW campaign incorporating Plants, People, and Possibilities that focuses on connecting families with nature and providing opportunities for nature education in support of K-12 schools.

- The Discovery Center Exploration Station and two indoor class rooms ready for hands-on learning, will be used for field trips, camps, gardening programs, community meetings, training and other types of gatherings.

- The significant expansion and improved education displays and spaces will likely increase the annual education audience from its current 150,000 visitors annually and will provide a premier demonstration venue for educating the public on innovative landscape management that promotes water conservation for residential application, as well as other conservation-minded activities.

- SAWS Conservation Department encourages the use of alternative landscape designs that negate the need for supplemental water to further the approved Water Management Plan goals through water conservation.
SAWS staff, working in cooperation with the Garden, have identified an opportunity to update and redevelop the 12 year old WaterSaver Lane in a way that is accessible and beneficial to the community that takes into account area weather patterns that are characterized by drought conditions interrupted by heavy rainfall.

SAWS will work with the Garden on the design, and implementation of the SAWS WaterSaver Lane redevelopment and on the signage installed at the Discover Center Exploration Station associated with the naming rights.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

Conservation funds will be made available from the System Fund. The total amount is not to exceed $350,000.00. The item will be paid from System funds budgeted in the 2016 budget (Company: 1000, Accounting Unit: 5010000, Account: 511219, Total 2016 amount: $350,000.00).
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN AGREEMENT WITH THE SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC., IN AN AMOUNT NOT TO EXCEED $350,000.00, TO PROVIDE SAN ANTONIO WATER SYSTEM BRANDING AND NAMING RIGHTS TO THE NEW DISCOVERY CENTER OF THE SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC.; INFORMATION UPDATES FOR USE AT THEIR KIOSK; A TWO PHASE PROJECT CONSISTING OF: (I) CONCEPT DESIGN AND (II) REDEVELOPMENT OF SAN ANTONIO WATER SYSTEM’S WATERSAVER LANE DEMONSTRATION GARDEN, ASSOCIATED WITH THE EXISTING SAN ANTONIO WATER SYSTEM CONSERVATION PROGRAMS; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $350,000.00 FROM THE SYSTEM FUND FOR THE REQUIRED SERVICES UNDER THE CONTRACT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE CONTRACT IN SUBSTANTIALLY THE FORM ATTACHED TO THIS RESOLUTION AS ATTACHMENT I WITH THE SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC., AND TO PAY THE SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC., AN AMOUNT NOT TO EXCEED $350,000.00 FOR THE TERM OF THE CONTRACT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, conserving water in the San Antonio region has been identified by the San Antonio Water System (the “System”) as a cost effective approach to managing water resources; and

WHEREAS, the System goal is to reduce per capita water consumption; and

WHEREAS, the System benefits through the expansion of the Conservation Team in promoting water conservation to the community; and

WHEREAS, the effectiveness of conservation programming can be increased through partnerships with community organizations; and
WHEREAS, the San Antonio Botanical Garden Society, Inc. (the “Garden”) brings unique and invaluable knowledge and assistance in facilitating community outreach, programming and research for water conservation; and

WHEREAS, the Garden is currently underway with a $21 million construction and renovation project, which is the current location of “SAWS WaterSaver Lane” and “SAWS WaterSaver Garden” showcasing different landscape designs; and

WHEREAS, the new expansion includes the development of eight acres under the Garden GROW campaign incorporating Plants, People, and Possibilities that focuses on connecting families with nature and providing opportunities for nature education in support of K-12 schools; and

WHEREAS, the System staff and the Garden have identified an opportunity to update and redevelop the 12 year old “SAWS WaterSaver Lane” to reflect current conservation and water resource goals; and

WHEREAS, the area weather patterns are characterized by drought conditions interrupted by heavy rainfall making it beneficial to promote the synergies of landscape design and water conservation; and

WHEREAS, the System Conservation Department encourages the use of alternative landscape designs that negate the need for supplemental water to further the approved Water Management Plan goals through water conservation; and

WHEREAS, participation in this demonstration will allow the public to obtain a practical view in the implementation of alternative landscape designs that also result in water conservation and can be applied; and

WHEREAS, the Garden will provide a premier demonstration venue for educating the public on innovative landscape management that promotes water conservation for residential application, as well as other conservation-minded activities; and

WHEREAS, the mission of this project is to educate the public on alternative landscape designs that reduce the need for water; and

WHEREAS, the Discovery Center features an Exploration Station and two indoor class rooms ready for hands-on learning. The facility will be used for field trips, camps, gardening programs, community meetings, training and other types of gatherings; and

WHEREAS, the Exploration Station located in the Discovery Center offers self or docent-guided garden orientation and education on conservation; and

WHEREAS, under the Agreement, the System will contribute funds not to exceed $250,000.00 for the SAWS Branding and Naming rights of the Discovery Center in the main entrance building and continually updated conservation information in the Exploration Station;
$100,000.00 for (i) concept development and (ii) redevelopment of “SAWS WaterSaver Lane” that will educate the public on alternative landscape designs that conserve water; and

**WHEREAS,** the San Antonio Water System Board of Trustees desires (i) to approve an agreement with the San Antonio Botanical Garden Society, Inc., in an amount not to exceed $350,000.00, to provide SAWS branding and naming rights, concept design and redevelopment of “SAWS WaterSaver Lane” associated with the existing San Antonio Water System conservation programs, (ii) to approve the expenditure of funds in an amount not to exceed $350,000.00 for the required services under the term of the agreement, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the contract in substantially the form attached to this resolution as Attachment I, with the San Antonio Botanical Garden Society, Inc., and to pay the San Antonio Botanical Garden Society, Inc., an amount not to exceed $350,000.00 for the term of the agreement; now, therefore:

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

1. That an agreement with the Garden in an amount not to exceed $350,000.00, in substantially the form attached as Attachment I, to provide SAWS branding and naming rights, conceptual design and redevelopment of “SAWS WaterSaver Lane” associated with the existing System conservation programs is hereby approved.

2. That a total amount not to exceed $350,000.00 for the term is hereby made available and is to be expended from the System Fund for these services, and that pursuant to the appropriations made in the annual budgets approved by the Board with a line item for such expenditures.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to further negotiate and execute the contract with the Garden and to pay the Garden an amount not to exceed $350,000.00 for the term of the agreement.

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

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

PASSED AND APPROVED this 14th day of December, 2016.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
I. Agreement with the San Antonio Botanical Garden Society, Inc.
ATTACHMENT I

SAN ANTONIO WATER SYSTEM
CONSERVATION AGREEMENT WITH
THE SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC.

This Agreement (the “Agreement”) regarding funding to secure San Antonio Water System Naming Rights for the San Antonio Botanical Garden Discovery Center Exploration Station, and the redevelopment of WaterSaver Lane, sponsored by SAWS entered into by and between the SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC. (the “GARDEN”) a Texas non-profit, and the SAN ANTONIO WATER SYSTEM (“SAWS”), a municipal water and sewer utility owned by the City.

WHEREAS, water conservation has been identified by SAWS as a cost effective approach to managing water resources; and

WHEREAS, one way to conserve water is to fund efforts that educate the community on conservation generally, and specifically how to incorporate low water use landscaping in their yards; and

WHEREAS, SAWS and the GARDEN have had a beneficial partnership for over 20 years in providing a wide range of significant community conservation education through the popular SAWS sponsored WaterSaver Garden and WaterSaver Lane demonstration gardens, exemplifying the beauty of low water use, environmentally appropriate, landscape designs as well as a full range of educational opportunities provided to the community through professional community education program; and

WHEREAS, the GARDEN is in the middle of a transformational 21 million dollar expansion that will teach current and future generations about the environment in our region and the importance of conserving water resources, and

WHEREAS, the Discovery Center Exploration Station as part of the GARDEN transformation will provide a premier venue for conducting educational workshops, community meetings and hand-on learning opportunities that promotes water conservation; and

WHEREAS, the securing of naming rights for the centrally located, high profile Discovery Center Exploitation Station will further expand the recognition of SAWS and its conservation and education program as full partners in responsible water resource management; and

WHEREAS, the extremely popular 12 year old WaterSaver Lane demonstration garden located at the GARDEN will be redeveloped to fit in alongside the GARDEN expansion, extending its relevance into the future to the benefit of the community; and

WHEREAS, SAWS will provide funding to secure the permanent naming rights for the Discovery Center Exploration Station and for the redevelopment of WaterSaver Lane in a manner
that reflects the mutual goals to educate the community on the of importance of water resources in our region;

NOW, THEREFORE, in consideration of the actions and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **SAWS Participation**
   
   (a) SAWS will work closely with the Garden to finalize the details on the signage associated with the naming rights to the Discovery Center Exploration Station and the redevelopment of WaterSaver Lane.
   
   (b) SAWS will provide the total sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) to be used exclusively for securing the naming rights for the Discovery Center Exploration Station that will be in place for the grand opening currently scheduled for May 2017.
   
   (c) SAWS will provide One Hundred Thousand and No/100 ($100,000.00) for the redevelopment of the 12 year old WaterSaver Lane from concept through to bid-ready plans to be completed in 2018. Any monies not utilized through to the bid-ready plans phase shall be put toward the construction and educational materials associated with WaterSaver Lane redevelopment.
   
   (d) SAWS will not be responsible for repairs due to general neglect, poor horticultural practices, vandalism or force majeure of any demonstration garden, signage, or irrigation system. SAWS will not be responsible for any costs for any other items associated with the GARDEN unless otherwise agreed to in writing.
   
   (e) SAWS shall not be obligated, or liable, under this Agreement to any party other than the GARDEN for payment of any monies, or provision of any goods or services, and in no event shall SAWS be liable to the GARDEN for more than SAWS’ payment set forth in Section 1(b) and (c) above and this agreement does not impact other current or future agreements with the Garden.

2. **GARDEN Participation**
   
   (a) The GARDEN shall manage all design and construction associated with this Agreement including the signage associated with the naming rights and the redevelopment of WaterSaver Lane.
   
   (b) The GARDEN at its sole cost shall operate and maintain all equipment, displays and landscape associated with WaterSaver Lane redevelopment for a minimum of ten years from the date the construction is certified to be complete.
(c) The GARDEN at its sole cost shall maintain all signage and branding associated with Discovery Center Exploration Station naming rights in perpetuity unless or until such time that SAWS agrees to relinquish rights.

(d) The GARDEN facilities management shall follow horticultural and irrigation scheduling as required by city ordnance as well as general best management practices promoted by SAWS.

(e) The GARDEN shall share with SAWS visitor and other relevant data on activities associated with the Discovery Center Exploration Station and WaterSaver Lane upon request.

(f) The GARDEN will allow SAWS to regularly update relevant information about activities or programs consistent with the conservation message of SAWS and the GARDEN at the Discovery Center Exploration Station, and; to host and sponsor public workshops and activities from time to time at the GARDEN with sufficient notice and as long as they do not interfere with rental or operational activities of the GARDEN.

3. Notices

To be effective, notices provided under this Agreement must be in writing, and shall be deemed to have been received for all purposes upon the earlier to occur of (a) actual receipt, or (b) three (3) days after the same are mailed by U.S. certified or registered mail, return receipt requested, and addressed as follows:

If to the SAWS:
SAWS
Attn: Director Conservation
P.O. Box 2449
San Antonio, Texas 78298-2449

With copy to:
SAWS
Attn: General Counsel
P.O. Box 2449
San Antonio, Texas 78298-2449

If to the Garden: The San Antonio Botanical Garden Society, Inc.
555 Funston Place
San Antonio, Texas 78209

Or addressed to such other address as is provided by written notice from one party to the other.
4. **Binding Effect**

This Agreement will be effective and is conditioned upon approval from the SAWS Board of Trustees by resolution and by the San Botanical Garden Society, Inc. in accordance with their bylaws.

5. **Governing Law**

5.01 The GARDEN warrants and represents that it will comply with all Federal, State and Local laws and regulations applicable to the GARDEN, and to the GARDEN’s use of SAWS funds and will use all reasonable efforts to ensure said compliance by any and all contractors and subcontractors that may work on the project.

5.02 The GARDEN agrees to procure all contracts under this agreement through open competitive contracting and professional services processes which are advertised to the public in an appropriate manner for SAWS WaterSaver Lane.

5.03 Plans must conform to American with Disabilities Act requirements and must be approved by the Texas Department of Licensing and Regulation before construction may begin. Inspections and final approval shall be the responsibility of the GARDEN.

6. **Formal Matters**

The relationship between SAWS and the GARDEN under this Agreement shall be that of independent contractors, and not that of partners, joint ventures, or any other relationship. This Agreement sets out the entire agreement of the parties in connection with the subject matter addressed herein, and may be modified or amended only in a writing executed by both SAWS and the Garden.

7. **Conditions of Funding**

If SAWS determines that the equipment or facilities funded under this Agreement have been removed or repurposed in a manner that negates the general spirit of this Agreement without written agreement or not completed in the time frame given without written extensions from SAWS, SAWS shall provide written notice to the GARDEN (“Notice of Default”), and the GARDEN shall have ninety (90) calendar days from delivery of the Notice of Default to make necessary corrections. If corrections are not made within said ninety (90) day period, SAWS shall receive a refund from the GARDEN (or SAWS may offset from sums next due and owing from SAWS to the GARDEN) of the portion of the funding provided by SAWS pertaining to the Default.

[SIGNATURE PAGE TO FOLLOW]
EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL BE CONSIDERED AN ORIGINAL, AS OF THE ____ DAY OF ___, 2016, TO BE EFFECTIVE UPON SATISFACTION OF THE CONDITIONS SET FORTH IN SECTION 4.

SAN ANTONIO BOTANICAL GARDEN SOCIETY, INC.

By: ______________________

SAN ANTONIO WATER SYSTEM

By: _________________________

Robert R. Puente
President and Chief Executive Officer
AGENDA ITEM NO. 15

TO: San Antonio Water System Board of Trustees

FROM: Darren Thompson, Director, Water Resources, and Donovan Burton, Vice President, Water Resources, Conservation and Governmental Relations

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

SUBJECT: APPROVAL OF TWO JOINT FUNDING AGREEMENTS BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE UNITED STATES GEOLOGICAL SURVEY

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves two Joint Funding Agreements between the San Antonio Water System (SAWS) and the United States Geological Survey (USGS) for a water budget study on the surface water and groundwater system of the Medina Lake and River. The study will monitor both upstream and downstream of the lake for the period ending on December 31, 2017. It also authorizes the President/Chief Executive Officer or his duly appointed designee to execute the agreements for an amount not to exceed $189,000.00.

SAWS has worked for many years with the USGS on collaborative data collection efforts on various projects. The proposed water budget study will be a multi-year monitoring initiative designed to better quantify the various flowpath components within the Medina surface water and groundwater system. The length of the study will be determined by whether or not the Medina system exhibits lake levels that weren’t captured in previous studies. Filling in these data gaps will help USGS determine the full range of recharge potential within the Medina system. This important work will benefit countless neighboring communities, and lay the foundation for potential compensation from the Edwards Aquifer Authority (EAA), based on the amount of Edwards Aquifer recharge that the study might verify, perfected through the use of SAWS 19,974 acre-feet per year of Medina Lake rights currently contracted for through Bexar-Medina-Atascosa Water Control and Improvement District #1.

USGS will carefully measure inputs and outputs from the Medina surface water and groundwater system. The work includes establishing four new gaging stations (three streamflow and one lake elevation), as well as one evapotranspiration station. When sufficient data has been collected over a wide range of hydrologic conditions, the new data will be incorporated into the new regression equation for estimating recharge, and published in a USGS report. The cost for installation in CY2016/2017 is $100,000.00, and the cost for operations & maintenance in CY2017 is $89,000.00.

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

Study Cost:

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<th>YEAR</th>
<th>SAWS O&amp;M BUDGET</th>
<th>USGS FUNDS</th>
<th>TOTALS</th>
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<td>2016/2017</td>
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The item/services will be paid from System funds budgeted in the 2016 and 2017 budgets (Company: 1000, Accounting Units: 5006000, Account: 511312, Total 2016/2017 amount: $100,000.00, Total 2017 amount: $89,000.00).

APPROVED:

Darren Thompson, Director
Water Resources

Donovan Burton, Vice President
Water Resources, Conservation and Governmental Relations

Robert R. Puente
President/Chief Executive Officer
OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING TWO JOINT FUNDING AGREEMENTS BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE UNITED STATES GEOLOGICAL SURVEY FOR MEASURING INPUTS AND OUTPUTS OF THE MEDINA SURFACE WATER AND GROUNDWATER SYSTEM FOR THE PERIOD ENDING ON DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED $189,000.00; AUTHORIZING THE EXPENDITURE OF FUNDS FOR FISCAL YEARS 2016 AND 2017 FROM THE SYSTEM FUND TO PAY FOR OBLIGATION INCURRED PURSUANT TO THE JOINT FUNDING AGREEMENTS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE JOINT FUNDING AGREEMENTS WITH THE UNITED STATES GEOLOGICAL SURVEY AND TO PAY AN AMOUNT NOT TO EXCEED $189,000.00 TO THE UNITED STATES GEOLOGICAL SURVEY PURSUANT TO THE JOINT FUNDING AGREEMENTS; 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”) and the United States Geological Survey (the “USGS”) have entered into cooperative research and monitoring programs for over a decade; and

WHEREAS, the Joint Funding Agreements developed for the period ending December 31, 2017 include gaging inputs and outputs from the Medina surface water and groundwater system; and

WHEREAS, these Joint Funding Agreements are in the best interests of the System customers and all the citizens of San Antonio; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve two Joint Funding Agreements between the San Antonio Water System and the United States Geological Survey for the period ending on December 31, 2017, in an amount not to exceed $189,000.00, (ii) to authorize the expenditure of funds for Fiscal Years 2016 and 2017 from the System Fund to pay for obligations incurred pursuant to the Joint Funding Agreements, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Joint Funding Agreements with the United States Geological Survey, and to pay an amount not to exceed $189,000.00 to the United States Geological Survey pursuant to the Joint Funding Agreements; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the Joint Funding Agreements between the System and the USGS covering the period ending on December 31, 2017 in an amount not to exceed $189,000.00 attached hereto as Attachment I is hereby approved.

2. That the required funds for Fiscal Years 2016 and 2017 are available and expenditure from the System Fund is hereby authorized to pay for obligations incurred.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Joint Funding Agreements between the System and the USGS and to pay an amount not to exceed $189,000.00 to the USGS pursuant to the Joint Funding Agreements.

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

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperable, 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 the 14th day of December, 2016.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
United States Department of the Interior  
U.S. GEOLOGICAL SURVEY  
Texas Water Science Center  
1505 Ferguson Lane  
Austin, TX 78754

Darren Thompson  
Director of Water Resources  
San Antonio Water System  
2800 U.S. Hwy 281 North  
San Antonio, TX 78298

November 4, 2016

Dear Mr. Thompson,

Enclosed are two signed originals of our standard joint-funding agreement for the project(s) Texas Water Science Center Water Resources Investigations, during the period December 14, 2016 through December 31, 2017 in the amount of $100,000 cash from your agency. Please sign and return one fully-executed original to Beau Griffin at the address above.

Federal law requires that we have a signed agreement before we start or continue work. Please return the signed agreement by December 14, 2016. If, for any reason, the agreement cannot be signed and returned by the date shown above, please contact Douglas Schnoebelen by phone number (210) 691-3362 or email dschnoebelen@usgs.gov to make alternative arrangements.

This is a fixed cost agreement to be billed quarterly via Down Payment Request (automated Form DI-1040). Please allow 30-days from the end of the billing period for issuance of the bill. If you experience any problems with your invoice(s), please contact Kandis Becher by phone number (682) 3316-5051 or email at kbecher@usgs.gov.

The results of all work performed under this agreement will be available for publication by the U.S. Geological Survey. We look forward to continuing and sincere cooperative efforts in these mutually beneficial water resources studies.

Sincerely,

[Signature]

Timothy H. Raines  
Acting Director

Enc.: 17CMTX038010000(2)
THIS AGREEMENT is entered into as of the December 14, 2016, by the U.S. GEOLOGICAL SURVEY, Texas Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the San Antonio Water System party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation Water Resource Investigations (per attachment), herein called the program. The USGS legal authority is 43 USC 36c; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of $0.00

(a) $0 by the party of the first part during the period December 14, 2016 to December 31, 2017

(b) $100,000 by the party of the second part during the period December 14, 2016 to December 31, 2017

(c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of:

Description of the USGS regional/national program:

(d) Additional or reduced amounts by each party during the five-year period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties

(e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by each party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

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9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DJ-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983.).
Reanalysis of groundwater recharge estimates from Medina and Diversion Lake System. 
Phase 2—Instrumentation and Data Collection for Identified Data Gaps

Introduction

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The costs for Phase 2, reanalysis of groundwater estimates of the Medina and Diversion Lake system, are $100,000 for CY2016 and $89,000 for CY2017. These funds include all the equipment, instrumentation, and maintenance for the new gages and ET station for the study.
Figure 1: Existing and proposed gage locations
Fixed Cost Agreement  YES [X] [NO] [ ]

THIS AGREEMENT is entered into as of the December 14, 2016, by the U.S. GEOLOGICAL SURVEY, Texas Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the San Antonio Water System party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation Water Resource Investigations (per attachment), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of $0.00

(a) $0 by the party of the first part during the period December 14, 2016 to December 31, 2017

(b) $100,000 by the party of the second part during the period December 14, 2016 to December 31, 2017

(c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of:

Description of the USGS regional/national program:

(d) Additional or reduced amounts by each party during the first period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties

(e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

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U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Agreement #: 17CMTX038010000
Customer #: 60000000608
Project #: SJ009ME
TIN #: 74-2632530
USGS DUNS #: 128821266

USGS Technical Point of Contact
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Supervisory Hydrologist (STPO Chief)
Address: 5563 Dezavala Road Suite 290
San Antonio, TX 78249
Telephone: (210) 691-9262
Fax: (210) 691-9270
Email: dschnoebelen@usgs.gov

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Name: Darren Thompson
Director of Water Resources
Address: 2800 U.S. Hwy 281 North
San Antonio, TX 78298
Telephone: (210) 233-3669
Fax: 
Email: darren.thompson@saws.org

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Name: Kandis Becher
Budget Analyst
Address: 501 W. Felix Street, Bldg 24
Fort Worth, TX 76115
Telephone: (817) 316-5051
Fax: (817) 316-5022
Email: kkbecher@usgs.gov

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Fax: 
Email: darren.thompson@saws.org

San Antonio Water System

Signature

By [Signature]
Name: Timothy H. Raines
Title: Acting Director
Date: Nov 4, 2016

Signatures

By __________________________ Date: ________
Name: _________________________
Title: _________________________

By __________________________ Date: ________
Name: _________________________
Title: _________________________

By __________________________ Date: ________
Name: _________________________
Title: _________________________
Reanalysis of groundwater recharge estimates from Medina and Diversion Lake System. Phase 2—Instrumentation and Data Collection for Identified Data Gaps

Introduction

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Figure 1: Existing and proposed gage locations
United States Department of the Interior
U.S. GEOLOGICAL SURVEY
Texas Water Science Center
1505 Ferguson Lane
Austin, TX 78754

Darren Thompson
Director of Water Resources
San Antonio Water System
2800 U.S. Hwy 281 North
San Antonio, TX 78298

Dear Mr. Thompson,

Enclosed are two signed originals of our standard joint-funding agreement for the project(s) Texas Water Science Center Water Resources Investigations, during the period January 1, 2017 through December 31, 2017 in the amount of $89,000 cash from your agency. Please sign and return one fully-executed original to Beau Griffin at the address above.

Federal law requires that we have a signed agreement before we start to continue work. Please return the signed agreement by January 1, 2017. If, for any reason, the agreement cannot be signed and returned by the date shown above, please contact Douglas Schnoebele by phone number (210) 691-8262 or email dschnoebele@usgs.gov to make alternative arrangements.

This is a fixed cost agreement to be billed quarterly via Direct Payment Request (automated Form DI-1040). Please allow 30-days from the end of the billing period for issuance of the bill. If you experience any problems with your invoice(s), please contact Kandis Becher at phone number (688) 316-5051 or email at kkbecher@usgs.gov.

The results of all work performed under this agreement will be available for publication by the U.S. Geological Survey. We look forward to continuing our and future cooperative efforts in these mutually beneficial water resources studies.

Sincerely,

[Signature]
Timothy H. Raines
Acting Director

Enc.: 17CMTX038020000(2)
THIS AGREEMENT is entered into as of the January 1, 2017, by the U.S. GEOLOGICAL SURVEY, Texas Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the San Antonio Water System party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation Water Resource Investigations (per attachment), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of $0.00

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(b) $89,000 by the party of the second part during the period January 1, 2017 to December 31, 2017

(c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of :

Description of the USGS regional/national program:

(d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties

(e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

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Form 9-1366
(April 2015)

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Agreement#: 17CTX038020000
Customer#: 6000000608
Project #: SJ009ME
TIN #: 74-2632530
USGS DUNS #: 128821266

USGS Technical Point of Contact
Name: Douglas Schnoebelen
Supervisory Hydrologist (STPO Chief)
Address: 5563 Dezavala Road Suite 290
San Antonio, TX 78249
Telephone: (210) 691-9262
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Email: darren.thompson@saws.org

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Name: Kandis Becher
Budget Analyst
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Fort Worth, TX 76115
Telephone: (682) 316-5051
Fax: (682) 316-5022
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U.S. Geological Survey
United States
Department of Interior

Signature
By __________________________ Date: Nov 4, 2016
Name: Timothy H. Raines
Title: Acting Director

Signatures
By __________________________ Date: 
Name: 
Title: 

By __________________________ Date: 
Name: 
Title: 

By __________________________ Date: 
Name: 
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San Antonio Water System
Reanalysis of groundwater recharge estimates from Medina and Diversion Lake System. Phase 2—Instrumentation and Data Collection for Identified Data Gaps

Introduction

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U.S. Department of the Interior  
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San Antonio Water System

By _______________________ Date: _____________
Name: Timothy H. Raines  
Title: Acting Director

Signatures

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Figure 1: Existing and proposed gage locations
TO: San Antonio Water System Board of Trustees  
FROM: Darren Thompson, Director, Water Resources and Donovan Burton, Vice President, Water Resources, Conservation and Governmental Relations  
THROUGH: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: AWARD OF A PROFESSIONAL SERVICES CONTRACT FOR WATER RESOURCES ENGINEERING CONSULTANT SERVICES  

SUMMARY AND RECOMMENDATION:  
The attached resolution awards a professional services contract to LBG-Guyton Associates, a local, non-SMWB firm, for a period of three years, including a one year extension, and an amount not to exceed $410,000.00. This resolution authorizes funds in an amount not to exceed $170,000.00 for the first year and $120,000.00 for year two plus $120,000.00 for an optional one year extension of the contract. This approval will not exceed a total of $170,000 for year one and $120,000.00 in year two and three for a total of $410,000.00 for the three-year period for Water Resources Engineering Consultant professional services without prior Board Approval.

- The Water Resources Department at the San Antonio Water System (SAWS) is responsible for the development, implementation, and maintenance of long-term, sustainable water supply projects. From development to the maintenance of these projects the support of Water Resources Engineering Consulting services is required.

- The engineering services will be required on an as-needed work order basis to address issues and concerns that arise that require professional services. The scope of services will depend upon the nature of each individual project but will generally consist of standard contract services and limited supplemental services.

- Services required may include, but are not limited to assist with or provide:
  - water quality analysis and water blending scenarios;
  - analysis of groundwater resource projects;
  - groundwater modeling to include calibrations of models, development, analysis of various modeling scenarios;
  - planning feasibility or conceptual studies, perform preliminary analysis on various water resource projects, and develop field data where required;
  - water project cost analysis and preliminary engineering and design estimates;
  - economic analysis of socioeconomic impacts of existing and new resource developments;
  - examine the local and regional impacts of existing or new regulations;
  - analyze leasing programs and agreements for groundwater and surface water rights, reservoir storage and the purchase of existing water systems;
  - perform environmental site assessments;
  - present findings and or reports on water resource project recommendations;
A Request for Qualifications (RFQ) was issued on July 18, 2016, to firms for engineering services. One statement was received by SAWS. Because only one response was received, the decision was made to reissue the RFQ on August 15 for an additional period of time. One statement was received by SAWS. LBG-Guyton Associates was selected for this contract through the Architect/Engineer Selection process.

The scope of services will include standard engineering services with fees estimated in accordance with the method deemed most appropriate for the specific project.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Services will be paid from the System Fund in a not to exceed amount of $410,000.00 for water related engineering over the three-year period, and subject to Board approval of the 2017, 2018 and 2019 budgets (Company: 1000, Accounting Unit: 5006000, Account Code: 511312, Total Amount: $410,000.00).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Water Resources O&amp;M Budget</th>
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<tbody>
<tr>
<td>2017</td>
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<tr>
<td>2018</td>
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</tr>
<tr>
<td>2019</td>
<td>$120,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$410,000.00</td>
</tr>
</tbody>
</table>

SUPPLEMENTARY COMMENTS:

One firm responded to the original Request for Qualifications. The RFQ was immediately reissued and again only one firm responded. The Technical Evaluation team selected LBG-Guyton Associates as the most highly qualified firm. The SAWS Selection Committee recommends that LBG-Guyton Associates, a local, non-SMWB firm be awarded the contract.

LBG-Guyton associates proposed to use the following sub-consultants for services on this contract:
<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freese &amp; Nichols, Inc.</td>
<td>5.00%</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Black &amp; Veatch Corporation</td>
<td>5.00%</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Alan Plummer Associates, Inc.</td>
<td>4.00%</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>Strata Technologies, LLC</td>
<td>3.00%</td>
<td>Non-Local/Non–SMWB</td>
</tr>
<tr>
<td>Baer Engineering and Environmental Consulting, Inc.</td>
<td>5.00%</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>3.00%</td>
<td>Local/ WBE-Caucasian</td>
</tr>
<tr>
<td>Crespo Consulting Services, Inc.</td>
<td>3.00%</td>
<td>Non-Local/ MBE-Hispanic</td>
</tr>
<tr>
<td>Grubb Engineering, Inc.</td>
<td>3.00%</td>
<td>Local/ WBE-Caucasian</td>
</tr>
<tr>
<td>Blanton &amp; Associates, Inc.</td>
<td>3.00%</td>
<td>Local/ WBE-Caucasian</td>
</tr>
<tr>
<td>San Antonio Testing Laboratory, LLC</td>
<td>3.00%</td>
<td>Local/ WBE-Hispanic</td>
</tr>
<tr>
<td>MS Engineering, LLC</td>
<td>3.00%</td>
<td>Local/ WBE-Asian</td>
</tr>
</tbody>
</table>

LBG-Guyton Associates displayed adherence to SAWS Affirmative Action and Small, Minority and Women Business (SMWB) participation policy with 23% Small Business Enterprise participation.
Award of Professional Services
Water Resources Engineering Consultant

APPROVED:

Darren Thompson, Director
Water Resources

Donovan Burton, Vice President
Water Resources, Conservation and
Governmental Relations

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO LBG-GUYTON ASSOCIATES FOR A PERIOD OF THREE YEARS THAT INCLUDES A ONE-YEAR EXTENSION OPTION IN AN AMOUNT NOT TO EXCEED $410,000.00 FOR WATER RESOURCES ENGINEERING CONSULTANT SERVICES; AUTHORIZING FUNDS IN AN AMOUNT NOT TO EXCEED $170,000 FOR YEAR ONE AND $120,000.00 EACH FOR YEARS TWO AND THREE, SUBJECT TO BOARD APPROVAL OF EACH YEAR’S BUDGET FOR A TOTAL OF $410,000.00 FOR THE THREE-YEAR PERIOD; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH LBG-GUYTON ASSOCIATES FOR THE INITIAL TWO-YEAR TERM, TO EXECUTE AN OPTION TO EXTEND THE CONTRACT FOR AN ADDITIONAL ONE-YEAR TERM, AND TO PAY LBG-GUYTON ASSOCIATES A TOTAL AMOUNT NOT TO EXCEED $410,000.00 FOR THE PROFESSIONAL ENGINEERING SERVICES FOR THE THREE-YEAR PERIOD BEGINNING JANUARY 2017 THROUGH DECEMBER 2019; 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 a need for a Water Resource Engineering Consultant to support the Water Resources Program; and

WHEREAS, the required professional services will consist of conducting surface and groundwater availability analysis and modeling, provide project cost analyses and preliminary engineering estimates, water quality analyses and analysis of the results, provide technical evaluation of water supply submittals, opportunities, options and projects; and

WHEREAS, the System has solicited Qualification Statements for the required services in connection with this work; and

WHEREAS, LBG-Guyton Associates a local, non-minority firm, has been determined to be the most qualified provider of the required Water Resource Engineering Consultant services on the basis of demonstrated competence and qualifications; and

WHEREAS, the San Antonio Water System Board of Trustees desires to award a
professional services contract to LBG-Guyton Associates, a local, non-SMWB firm, for a period of two years plus an optional third year in an amount not to exceed $410,000.00;

WHEREAS, System funds in an amount not to exceed $410,000.00 are required for the project engineering work; and

WHEREAS, the amount of $410,000.00 is available from the System Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to LBG-Guyton Associates for a period of three years that includes an option to extend the contract for one year in an amount not to exceed $410,000.00 for Water Resources Engineering Consultant services, (ii) to approve the expenditure of funds in an amount not to exceed $410,000.00 from the System Fund for professional engineering services for the period beginning January 2017 through December 2019, subject to Board approval of the 2017, 2018 and 2019 budgets, and (iii) to authorize the System’s President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with LBG-Guyton Associates for the initial two-year period, to execute an option to extend the contract for an additional one-year term, and to pay LBG-Guyton Associates a total amount not to exceed $410,000.00 in connection with the Water Resources Engineering Consultant Contract; now, therefore:

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

1. That a professional services contract is hereby awarded to LBG-Guyton Associates for a period of three years that includes a one-year extension option in an amount not to exceed $410,000.00 for the Water Resources Engineering Consultant Services.

2. That the expenditure of System funds in an amount not to exceed $410,000.00 for the project engineering work is hereby approved, subject to Board approval of the 2017, 2018 and 2019 budgets.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract with LBG-Guyton Associates for the initial two-year term, to execute an option to extend the contract for an additional one-year term, and to pay LBG-Guyton Associates an amount not to exceed $410,000.00 in connection with the Water Resources Engineering Consultant Services contract for the period beginning January 2017 through December 2019.

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 14th day of December 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Tamsen R. McNarie, Director, Operations Support, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

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

SUBJECT: AWARD OF 2017 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 1

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $823,949.00 to Texas Pride Utilities, LLC, a non-local, MBE-Hispanic, company in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1.

- 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.

- Texas Pride Utilities, LLC has submitted the low bid of $823,949.00.

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

Funds for these contract services to be provided during FY 2017 through FY 2019 will be included in the annual operating budgets, and will be available pursuant to and contingent upon Board approval of the 2017 budget and subsequent years’ budgets with a line item for such expenditures. The System Fund will finance the amount of $823,949.00 for contract services (Company: 1000; Accounting Unit: 5044500; Account: 511220). The SAWS job number for the replacement of any manholes is 17-1403 (CIP). The SAWS job number for all other work is 17-0101 (O&M).

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 November 2, 2016 at 10:00 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>Texas Pride Utilities, LLC*</td>
<td>$823,949.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Facilities Rehabilitation, Inc.</td>
<td>$949,095.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>D. Guerra Construction</td>
<td>$954,915.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Guerra Underground</td>
<td>$973,088.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,000,000.00</td>
<td></td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil Field Service Co., Inc.</td>
<td>$1,135,472.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

---

2017 Annual Sanitary Sewer Manhole Adjustments, Rehabilitation and Replacement Construction Contract, Package 1

Texas Pride Utilities, LLC

SMWB ANALYSIS – BOARD AWARD

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>8.50%</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>77.67%</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>2.91%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>89.08%</td>
</tr>
</tbody>
</table>
The bid amount represents a 17.6% 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. McNarie  
Director, Operations Support

Jeffrey L. Hady, P.E.  
Vice President, Production and Treatment

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF TEXAS PRIDE UTILITIES, LLC FOR A CONSTRUCTION CONTRACT IN THE AMOUNT OF $823,949.00 IN CONNECTION WITH THE 2017 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 1; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $823,949.00 TO TEXAS PRIDE UTILITIES, LLC IN CONNECTION WITH THE 2017 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 1; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $823,949.00 FOR THE PROJECT WORK PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE 2017 BUDGET AND 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 TEXAS PRIDE UTILITIES, LLC AND TO PAY TEXAS PRIDE UTILITIES, LLC THE AMOUNT OF $823,949.00 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, Texas Pride Utilities, LLC, a non-local, MBE-Hispanic company submitted a bid in the amount of $823,949.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, the total amount of $823,949.00 is available from the System Fund for the project work pursuant to and contingent upon Board approval of the 2017 budget and subsequent years’ budgets with a line item for such expenditures; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the bid of Texas Pride Utilities, LLC for a construction contract in the amount of $823,949.00 in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1, (ii) award a construction contract in the amount of $823,949.00 to Texas Pride Utilities, LLC in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1, (iii) approve the expenditure of funds in the amount of $823,949.00 for the project work pursuant to and contingent upon Board approval of the 2017 budget and 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 Texas Pride Utilities, LLC, and to pay Texas Pride Utilities, LLC the amount not to exceed $823,949.00 for the project work; now, therefore:

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

1. That the bid of Texas Pride Utilities, LLC in the amount of $823,949.00 for the project work in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1 is hereby accepted.

2. That the contract is hereby awarded to Texas Pride Utilities, LLC in the amount of $823,949.00 for the project work in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1.

3. That the expenditure of System funds in the amount of $823,949.00 for the project work is hereby approved and made available from the System Fund pursuant to and contingent upon Board approval of the 2017 budget and subsequent years’ budgets with a line item for such expenditures.

4. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Texas Pride Utilities, LLC for the project work, and to pay an amount not to exceed $823,949.00 to Texas Pride Utilities, LLC for the project work in connection with the 2017 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 1.

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 14th day of December, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 18

TO: San Antonio Water System Board of Trustees

FROM: Timothy Davis, Director, Customer Service, and Agnes G. Barard, Vice President, Customer Service

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

SUBJECT: AWARDING A SERVICES CONTRACT FOR THE 2016 METER REPLACEMENT PROGRAM

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a services contract in an amount not to exceed $1,334,439.60 to Grid One Solutions, Inc., a local, non-SMWB firm, in connection with the 2016 Meter Replacement Program.

- The San Antonio Water System (SAWS) routinely replaces water meters that are no longer operational to ensure customer billing accuracy.

- As part of a proactive meter replacement program, SAWS has determined that a water meter installation contractor is needed to assist in the replacement of water meters with an age over 15 years and a meter read greater than 1,000 cubic feet.

- SAWS issued a request for competitive sealed proposals so that a water meter installation contractor that will provide the overall best value, taking into consideration qualifications, price, and SMWB participation, could be selected to replace up to 20,700 water meters.

- Staff has determined that Grid One Solutions, Inc., has submitted the best value bid in the not to exceed amount of $1,334,439.60.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The cost for the 2016 Meter Replacement Program is budgeted in the 2015 Capital Improvements Program under Water Delivery Core Business, Mains – Replacement Category, SAWS Customer Water Meter Replacements. The Project Fund will finance the total amount of $1,334,439.60. The SAWS job number is 15-4003.

SUPPLEMENTARY COMMENTS:

SAWS staff prepared a request for competitive sealed proposals (RFCSP) to acquire these services
because of the experience and technical skills necessary to perform this work. This approach has been used in the past and has been effective and affords SAWS the opportunity to establish a balance between qualifications, price, and SMWB participation in the selection of a contractor to perform water meter installation services.

The competitive sealed proposals were submitted on October 25, 2016 at 10:00 AM and were reviewed by an Evaluation Committee. In determining the “best value,” the Evaluation Criteria listed below were considered and weighted as shown.

<table>
<thead>
<tr>
<th>Criteria:</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Background, Experience, and Qualifications</td>
<td>25</td>
</tr>
<tr>
<td>b. Project Approach, Training, and Quality Control</td>
<td>30</td>
</tr>
<tr>
<td>c. Price</td>
<td>35</td>
</tr>
<tr>
<td>d. Small, Minority, Women-owned Business Program Compliance</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
</tr>
</tbody>
</table>

SAWS received bids from the following companies:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>SCORE</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grid One Solutions, Inc.*</td>
<td>81.86</td>
<td>$1,334,439.60</td>
<td>Local / Non-SMWB</td>
</tr>
<tr>
<td>Contract Callers, Inc.</td>
<td>73.39</td>
<td>$1,511,957.90</td>
<td>Non-local / Non-SMWB</td>
</tr>
<tr>
<td>Vanguard Utility Services, Inc.</td>
<td>70.75</td>
<td>$1,420,130.80</td>
<td>Non-local / Non-SMWB</td>
</tr>
<tr>
<td>Thielsc Engineering, Inc.</td>
<td>65.50</td>
<td>$1,212,660.00</td>
<td>Non-local / Non-SMWB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td></td>
<td>$1,279,214.50</td>
<td></td>
</tr>
</tbody>
</table>

*Best Value Proposal

---

<table>
<thead>
<tr>
<th>2016 Meter Replacement Program</th>
<th>GRID ONE SOLUTIONS, INC.</th>
<th>SMWB ANALYSIS – BOARD AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>39.34%</td>
<td></td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td><strong>SMWB Total</strong></td>
<td><strong>39.34%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Award of Services Contract for the 2016 Meter Replacement Program

Timothy Davis
Director, Customer Service

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Agnes C. Barard
Vice President, Customer Service
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF AND AWARDING A WATER METER INSTALLATION SERVICES CONTRACT TO GRID ONE SOLUTIONS, INC. IN AN AMOUNT NOT TO EXCEED $1,334,439.60 FOR WATER METER INSTALLATION SERVICES IN CONJUNCTION WITH THE 2016 METER REPLACEMENT PROGRAM; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $1,334,439.60 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE SYSTEM’S PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A WATER METER INSTALLATION SERVICES CONTRACT WITH GRID ONE SOLUTIONS, INC., AND TO PAY GRID ONE SOLUTIONS, INC., FOR THE SYSTEM’S OBLIGATIONS UNDER THE TERMS OF THE CONTRACT IN AN AMOUNT NOT TO EXCEED $1,334,439.60; 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”) routinely replaces water meters that are no longer operational to ensure customer billing accuracy; and

WHEREAS, as part of a proactive meter replacement program, the System has determined that a water meter installation contractor is needed to assist in the replacement of water meters with an age over 15 years and a meter read greater than 1,000 cubic feet; and

WHEREAS, System issued a request for competitive sealed proposals so that a water meter installation contractor that will provide the overall best value, taking into consideration qualifications, price, and SMWB participation, could be selected to replace up to 20,700 water meters; and

WHEREAS, Grid One Solutions, Inc., a local, non-SMWB firm, has submitted the best value bid in the not to exceed amount of $1,334,439.60; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of Grid One Solutions, Inc., in the amount of $1,334,439.60 for the project work in connection with the 2016 Meter Replacement Program, (ii) to award a services contract to Grid One Solutions, Inc., in the amount of $1,334,439.60 for the project work, (iii) to approve the
expenditure and make available from System Funds in the amount of $1,334,439.60 for the project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a services contract with Grid One Solutions, Inc., and to pay the amount of $1,334,439.60 to Grid One Solutions, Inc., for the System’s obligations under the terms of the contract for the project work; now, therefore:

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

1. That the proposal of Grid One Solutions, Inc. in an amount not to exceed $1,334,439.60 for water meter installation services in connection with the 2016 Meter Replacement Program is hereby accepted.

2. That a services contract in an amount of $1,334,439.60 for the project work is hereby awarded to Grid One Solutions, Inc.

3. That the expenditure of System funds in the not to exceed amount of $1,334,439.60 for the project work is hereby approved.

4. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a services contract with Grid One Solutions, Inc., and to pay the amount of $1,334,439.60 to Grid One Solutions, Inc., for the System’s obligations under the terms of the contract for the project work in connection with the 2016 Meter Replacement Program.

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 shall take effect immediately upon its passage.

PASSED AND APPROVED this 14\textsuperscript{th} day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman
ATTEST:

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

TO: San Antonio Water System Board of Trustees

FROM: Sree Pulapaka, Vice President/Chief Information Officer, and Douglas P. Evanson, Senior Vice President/Chief Financial Officer

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

SUBJECT: AUTHORIZATION OF EXPENDITURES FOR THE PURCHASE OF CISCO PRODUCTS AND SERVICES FOR VARIOUS INFORMATION SYSTEMS PROJECTS FOR THE DATA CENTER, NETWORK ENGINEERING AND TELEPHONY GROUPS FOR 2017

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of Cisco Systems products and services through the State of Texas Department of Information Resources (DIR) Contracts, DIR-TSO-2542 (Cisco Systems) and its resellers for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2017. This resolution also authorizes funding in an amount not to exceed $1,800,000.00 to various resellers for the period of January 01, 2017 through December 31, 2017 to provide Cisco product and services.

- DIR provides statewide leadership and oversight for management of government information and communications technology. By leveraging the state's volume-buying power to drive down costs through a streamlined cooperative purchasing program. DIR has already performed all state of Texas competitive procurement requirements.

- Contracts may be used by state and local government, public education, other public entities in Texas, as well as public entities outside the state. The contract has multiple resellers, to include multiple Historically Underutilized Business (HUB) vendors.

- Cisco Systems offers Cisco branded hardware, networking equipment, servers, data storage solutions, and related services through the DIR-TSO-2542 contract with purchase orders going directly to the contract holder or authorized resellers.

- The DIR contract, DIR-TSO-2542 specifies minimum pricing and discounts off of the Cisco Global Price List.
- The discounts listed on DIR-TSO-2542 are minimum guaranteed contract pricing. This means that the Authorized Reseller Vendors must provide, at a minimum, those discounts and cannot offer less favorable pricing discounts than the contract discounts. However, the Authorized Reseller Vendors listed below may offer any additional, incremental discounts to any eligible users under this contract and such additional discounts if offered, may be provided at the discretion and as the sole legal obligation of the Authorized Reseller Vendors.

- The San Antonio Water System’s (SAWS) Information Systems Department uses Cisco products for switching and routing of wired and wireless network traffic, for network security appliances and components, for telephony private branch exchange (PBX) and call center applications, and for servers and aspects of server management. In the past, we have made separate requests throughout the year and to be more efficient, we are again seeking to consolidate requests into one annual request for all budgeted Cisco products.

- SAWS Information Systems Department began implementing Cisco products for switching, routing and network security in 2002 when migrating the network technology from Token-Ring to Ethernet. SAWS began implementing Cisco products in late 2003 to replace an analog PBX and related call center applications and fully implemented the solutions in 2005 with the SAWS headquarters move. SAWS migrated to Cisco products for servers and aspects of server management in 2011 as part of a technology refresh for ERSS hardware. Cisco represents a technology portfolio vendor for SAWS similar to Microsoft or Oracle and we have optimized SAWS resources for Cisco products thru training and certifications.

- SAWS Purchasing Department will continue the practice of issuing a Request for Quote (RFQ) for all Cisco project requirements and will send the RFQ to defined Cisco resellers to insure SAWS receives the most competitive price.

- SAWS reserves the right to add/delete authorized DIR contract holders and resellers in accordance with the State of Texas Department of Information Resources Contract DIR-TSO-2542.

- The combined not to exceed total amount of Cisco products purchases for products and services for 2017 will not exceed $1,800,000.00.

- SAWS will return to the Board for Cisco purchases that exceed this value and for subsequent years.

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

The item/services will be paid from the SAWS System Fund budgeted in the 2017 budget (Company: 1000, Accounting Unit: Various, Account: 511315, as well as from Project Funds - Total 2017 amount $1,800,000.00).

Sina Pulseka  
Vice President/Chief Information Office

Douglas P. Byrns  
Senior Vice President/Chief Financial Officer

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

Attachments:

I. Authorized Cisco Resellers
II. Minimum Pricing & Discounts List
## Attachment I

Authorized Cisco products and service resellers on DIR-TSO-2542.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Local/Non-Local</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T Corp.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Black Box Network Services, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>CDW Government, LLC</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Centre Technologies</td>
<td>Non-Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>Clover International LLC</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Datavox, Inc</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Desert Communications</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Dimension Data North America Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Direct Packet, Inc. dba OneVision Solutions</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>DISYS Solutions, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>ePlus Technology, Inc</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Exebridge, Inc</td>
<td>Non-Local</td>
<td>WBE - Hispanic</td>
</tr>
<tr>
<td>FMS Technologies dba Flexile Systems</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>General Datatech, L.P.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Great South Texas Corporation dba Computer Solutions</td>
<td>Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>GTS Technology Solutions, Inc.</td>
<td>Non-Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>Insight Public Sector, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Lumenate Technologies, LP</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>LyncVerse Technologies, Inc</td>
<td>Non-Local</td>
<td>MBE - Black</td>
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<tr>
<td>MTM Technologies, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Netsync Network Solutions, Inc.</td>
<td>Non-Local</td>
<td>WBE - Hispanic</td>
</tr>
<tr>
<td>Network Alliance LLC</td>
<td>Local</td>
<td>WBE - Hispanic</td>
</tr>
<tr>
<td>NWN Corporation</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>PC Specialists, Inc. dba Technology Integration Group (TIG)</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>PCMG, Inc. dba PCM Gov, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Porter Burgess Company dba Flair Data Systems</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Presidio Networked Solutions Group, LLC</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Reliable IT dba The Broadleaf Group, LLC.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>SHI Government Solutions, Inc.</td>
<td>Non-Local</td>
<td>WBE - Asian</td>
</tr>
<tr>
<td>Sigma Technology Solutions Inc</td>
<td>Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Sirius Computer Solutions, Inc</td>
<td>Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Sky Communications, Inc.</td>
<td>Non-Local</td>
<td>MBE - Black</td>
</tr>
<tr>
<td>Sology LLC</td>
<td>Non-Local</td>
<td>WBE - Black</td>
</tr>
<tr>
<td>Synetra Inc</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Company Name</td>
<td>Status</td>
<td>Certification</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------</td>
<td>---------------</td>
</tr>
<tr>
<td>Technologent</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Technology for Education dba: TFE</td>
<td>Non-Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>United Teleservices, Inc. dba CenturyLink</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>World Wide Technology, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
<tr>
<td>Zones, Inc.</td>
<td>Non-Local</td>
<td>Non SMWB</td>
</tr>
</tbody>
</table>
State of Texas DIR - Contracts for Cisco Branded Products and Related Services, and their Pricing

The discounts listed below on the DIR contract price schedule are the **minimum guaranteed contract pricing discounts**. This means that the Authorized Contract Holder or Reseller Vendors must provide, **at a minimum**, those discounts and cannot offer less favorable pricing discounts than the contract discounts. However, the Contract Holder or Authorized Reseller Vendors may offer any additional, incremental discounts to any eligible users under these contracts and such additional discounts if offered, may be provided at the discretion and as the sole legal obligation of the Contract Holder or Authorized Reseller Vendors.

**DIR Contract Number: DIR-TSO-2542**
Vendor Name: Cisco Systems, Inc. (many resellers)
Vendor ID: 1770059951100
HUB Type: Non HUB


**Minimum Pricing & Discounts off Cisco US Global Price List**

<table>
<thead>
<tr>
<th>Scope of Offering</th>
<th>Discount % off MSRP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cisco Hardware</strong></td>
<td></td>
</tr>
<tr>
<td>Cisco Equipment on the Global Pricelist</td>
<td>36.00%</td>
</tr>
<tr>
<td>Cisco Meraki Price List</td>
<td>36.00%</td>
</tr>
<tr>
<td><strong>Cisco SMARTnet Services</strong></td>
<td></td>
</tr>
<tr>
<td>Government - 1 Year Cisco SMARTnet Contract</td>
<td>10.00%</td>
</tr>
<tr>
<td>Government - 3 Year Cisco SMARTnet Contract</td>
<td>17.00%</td>
</tr>
<tr>
<td>Government - 5 Year Cisco SMARTnet Contract</td>
<td>21.00%</td>
</tr>
<tr>
<td>Education - 1 Year Cisco SMARTnet Contract</td>
<td>25.00%</td>
</tr>
<tr>
<td>Education - 3 Year Cisco SMARTnet Contract</td>
<td>28.00%</td>
</tr>
<tr>
<td>Education - 5 Year Cisco SMARTnet Contract</td>
<td>30.00%</td>
</tr>
<tr>
<td><strong>Cisco Technical &amp; Maintenance Services</strong></td>
<td></td>
</tr>
<tr>
<td>Cisco Technical and Maintenance Services</td>
<td>10.00%</td>
</tr>
<tr>
<td><strong>Partner Services</strong></td>
<td>NTE Amount/Hour*</td>
</tr>
<tr>
<td>Enterprise Network Services I</td>
<td>$285.00</td>
</tr>
<tr>
<td>Enterprise Network Services II</td>
<td>$325.00</td>
</tr>
<tr>
<td>Enterprise Network Services III</td>
<td>$375.00</td>
</tr>
<tr>
<td>Technician</td>
<td>$180.00</td>
</tr>
<tr>
<td>Scope of Offering</td>
<td>Discount % off MSRP</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Network Engineer</td>
<td>$225.00</td>
</tr>
<tr>
<td>Senior Network Engineer</td>
<td>$275.00</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$250.00</td>
</tr>
<tr>
<td>Program Manager</td>
<td>$275.00</td>
</tr>
<tr>
<td><strong>Cisco Learning Credits</strong></td>
<td>0.00%</td>
</tr>
</tbody>
</table>
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE PURCHASE OF CISCO PRODUCTS AND SERVICES THROUGH THE STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES CONTRACT DIR-TSO-2542 (CISCO SYSTEMS) AND ITS RESELLERS FOR VARIOUS INFORMATION SYSTEMS PROJECTS FOR THE DATA CENTER, NETWORK ENGINEERING AND TELEPHONY GROUPS FOR THE PERIOD OF JANUARY 01, 2017 THROUGH DECEMBER 31, 2017; AUTHORIZING FUNDS TO BE EXPENDED IN FY 2017 FROM THE SYSTEM'S PROJECT FUND AND SYSTEM FUND IN AN AMOUNT NOT TO EXCEED $1,800,000.00; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACTS WITH VARIOUS CONTRACT HOLDERS OR RESELLERS FOR CISCO PRODUCTS AND SERVICES FROM JANUARY 01, 2017 THROUGH DECEMBER 31, 2017 AND TO PAY VARIOUS CONTRACT HOLDERS OR RESELLERS AN AMOUNT NOT TO EXCEED $1,800,000.00 FOR CISCO PRODUCTS AND SERVICES FOR VARIOUS INFORMATION SYSTEMS PROJECTS FOR THE DATA CENTER, NETWORK ENGINEERING AND TELEPHONY GROUPS FOR 2017; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the State of Texas Department of Information Resources (DIR) provides statewide leadership and oversight for management of government information and communications technology; and

WHEREAS, contracts may be used by state and local government, public education, other public entities in Texas, as well as public entities outside the state. The contract has multiple resellers, to which there are multiple Historically Underutilized Business (HUB) vendors; and

WHEREAS, Cisco Systems offers Cisco branded hardware, networking equipment, servers, data storage solutions, and related services through the DIR-TSO-2542 contract with purchase orders going directly to the contract holder or authorized resellers; and

WHEREAS, the DIR contract, DIR-TSO-2542 specifies minimum pricing and discounts off of the Cisco Global Price List; and
WHEREAS, the discounts listed on DIR-TSO-2542 are minimum guaranteed contract pricing. This means that the Authorized Reseller Vendors must provide, at a minimum, those discounts and cannot offer less favorable pricing discounts than the contract discounts. However, the Authorized Reseller Vendors may offer any additional, incremental discounts to any eligible users under this contract and such additional discounts if offered, may be provided at the discretion and as the sole legal obligation of the Authorized Reseller Vendors; and

WHEREAS, the San Antonio Water System (the “System”) Information Systems Department uses Cisco products for switching and routing of wired and wireless network traffic, for network security appliances and components, for telephony Private Branch Exchange (PBX) and call center applications, and for servers and aspects of server management; and

WHEREAS, the combined not to exceed total amount of Cisco products and services purchases for 2017 will not exceed $1,800,000.00; and

WHEREAS, the System will return to the Board for Cisco purchases that exceed this value and for subsequent years; and

WHEREAS, it is estimated the amount to be expended from the System Fund and Project Fund is $1,800,000.00; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the use of the State of Texas Department of Information Resources contract DIR-TSO-2542 through contract holders or resellers for the purchase of Cisco products and services for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for the period of January 01, 2017 through December 31, 2017, (ii) to approve the expenditures in an amount not to exceed $1,800,000.00 for FY 2017 from the System Fund and Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute contracts with various contract holders or resellers for Cisco products and services from January 01, 2017 through December 31, 2017, and to pay various contract holders or resellers an amount not to exceed $1,800,000.00; now, therefore:

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

1. That the use of the State of Texas Department of Information Resources contract DIR-TSO-2542 through the contract holder or resellers for the purchase of Cisco products and services for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2017 for the period of January 01, 2017 through December 31, 2017 is hereby authorized.

2. That an amount not to exceed $1,800,000.00 is hereby made available to be expended from the System Fund and Project Fund for Cisco products and services for various Information Systems related projects for the period of January 01, 2017 through December 31, 2017.
3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute contracts with various authorized Cisco resellers for the purchase of Cisco products and services for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2017 for the period of January 01, 2017 through December 31, 2017.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay an amount not to exceed $1,800,000.00 to the authorized Cisco resellers for Cisco products and services from January 01, 2017 through December 31, 2017.

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 14th day of December, 2016.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Sharon M. De La Garza, Vice President, Human Resources

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


Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves the recommendation of Wells Fargo Insurance Service USA, Inc., the San Antonio Water System’s (the “System”) Agent of Record, for insurance coverage for the System’s comprehensive commercial insurance program for the twelve-month period commencing December 31, 2016, and authorizes the payment for the premium plus contingency for said insurance coverage in an amount not to exceed $1,032,315 to Wells Fargo Insurance Service USA, Inc.

In renewing the various lines of coverage for the upcoming twelve-month period, Wells Fargo Insurance Service USA, Inc.:

- Solicited 31 different commercial insurance companies for quotes on Property (Fire, Boiler and Machinery, and Electronic Data Processing), Excess Workers’ Compensation, Excess General Liability, Fiduciary Liability, Public Officials and Employment Practices Liability, and Pollution Legal Liability;

- Provided a cost summary and coverage analysis of the quotations received; and

- Provided a recommendation regarding award for coverage.

Current lines of insurance coverage are set to expire on December 31, 2016.

The attached resolution does not include agent of record fees, which are provided under separate contract with Wells Fargo Insurance Service USA, Inc., as approved by the Board of Trustees in Resolution No. 16-166, dated June 14, 2016.

Staff recommends approval of this item.
FINANCIAL IMPACT:

The total cost of the System’s comprehensive commercial insurance program for the twelve-month period commencing December 31, 2016 is $1,032,315, which is comprised of the base cost of the premiums plus 5% for potential premium adjustments pending final year-end audits and/or location changes, i.e., additions/deletions during the year. The total 2017 annual renewal premium is 3.73% less than the total annual premium paid during 2016. The costs of the various lines of insurance coverage including an analysis of changes from prior year premiums are shown in Attachment I.

The cost of the insurance program from December 31, 2016 through December 31, 2017 will be paid from the System Fund included in the 2017 budget (Company: 1000, Cost Center: 5020100, Account: 511570, Total 2017 Amount: $1,032,315).

Sharon De La Garza
Vice President, Human Resources

APPROVED:

Robert R. Puente
President/Chief Executive Officer
## FY2017 Comprehensive Commercial Insurance Program Cost Summary

<table>
<thead>
<tr>
<th>Lines of Coverage</th>
<th>Policy Term</th>
<th>CARRIER</th>
<th>AM Best Rating*</th>
<th>Self-Insured Retention</th>
<th>Limit</th>
<th>2016 Expiring Annual TOTAL Premium</th>
<th>2017 Proposed Annual TOTAL Premium</th>
<th>Premium % Increase or Decrease</th>
<th>Premium Funding Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ Compensation &amp; Employer’s Liability</td>
<td>1/1/2017-12/31/2018</td>
<td>Midwest Employers Casualty Company</td>
<td>A+, XV</td>
<td>$2,000,000</td>
<td>Statutory/$2,000,000</td>
<td>$117,970</td>
<td>$103,575</td>
<td>12.20%</td>
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</tr>
<tr>
<td>General Liability</td>
<td>1/1/2017-12/31/2017</td>
<td>Allied World Assurance Company</td>
<td>A XV</td>
<td>$2,000,000</td>
<td>$1,000,000 per occurrence, $3,000,000 Aggregate with Completed Operations $3,000,000 and $5,000,000 Aggregate</td>
<td>$67,933</td>
<td>$66,565</td>
<td>2.01%</td>
<td>$66,565</td>
</tr>
<tr>
<td>Fiduciary Legal Liability</td>
<td>1/1/2017-12/31/2017</td>
<td>AIG/National Union Fire Insurance Company of Pittsburgh</td>
<td>A, XV</td>
<td>$50,000</td>
<td>10,000,000</td>
<td>$35,145</td>
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<td>17.31%</td>
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</tr>
<tr>
<td>Public Officials Liability/Employment Practices Liability</td>
<td>1/1/2017-12/31/2017</td>
<td>Illinois National Ins Co</td>
<td>A, XV</td>
<td>$500,000</td>
<td>20,000,000</td>
<td>$133,521</td>
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<td>10.50%</td>
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</tr>
<tr>
<td>Property</td>
<td>1/1/2017-12/31/2017</td>
<td>Affiliated FM</td>
<td>A+, XV</td>
<td>$250,000</td>
<td>500,000,000</td>
<td>$495,751</td>
<td>$448,399</td>
<td>9.55%</td>
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<tr>
<td>Environmental Pollution Remediation &amp; Legal Liability</td>
<td>1/1/2017-12/31/2018</td>
<td>Steadfast Insurance Company</td>
<td>A+, XV</td>
<td>$250,000</td>
<td>$5M Occ/$10M Agg</td>
<td>$208,658</td>
<td>$183,120</td>
<td>12.24%</td>
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<tr>
<td>Commercial Crime</td>
<td>1/1/2017-12/31/2017</td>
<td>Travelers</td>
<td>A+, XV</td>
<td>$50,000</td>
<td>1,000,000</td>
<td>$3,337</td>
<td>$4,888</td>
<td>46.48%</td>
<td>$4,888</td>
</tr>
</tbody>
</table>

Sub-total: $1,062,315

Grand Total: $1,032,315

* SAWS minimum acceptable A.M. Best Financial Strength rating is A-, VII.

### NOTES:

1. The Workers’ Compensation premium basis, payroll, increased 11.51%. The rate per $100 of payroll reduced by .0269 thus resulting in an overall 2017 Total Annual Premium decrease of 12.20%.
2. The Commercial General Liability insurance rate was able to be decreased 4.9% by Wells Fargo Insurance Services USA.
3. The Fiduciary Legal Liability policy premium decreased 13.24%, from the expiring policy premium.
4. The Public Officials’ Liability premium decreased 12.65% from the expiring policy premium.
5. The Commercial Property premium rate decreased 3.01%, while the premium basis, which is the Total Insurable Replacement Cost Value, decreased 0.50%, resulting in an overall premium decrease of 1.18%.
6. The Environmental Pollution Remediation and Legal Liability line of coverage is for a 2-year policy term (1/1/17-12/31/18). The 2-year premium will be paid at policy inception.
7. The premium for the Commercial Crime coverage is for a 3-year policy term (1/1/17-12/31/19). The premium will be paid at policy inception.
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING AND APPROVING THE RECOMMENDATION OF WELLS FARGO INSURANCE SERVICE USA, INC., FOR COMMERCIAL INSURANCE COVERAGE FOR THE TWELVE MONTH PERIOD COMMENCING DECEMBER 31, 2016; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $1,032,315 FOR SUCH INSURANCE FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THROUGH WELLS FARGO INSURANCE SERVICE USA, INC., ALL NECESSARY DOCUMENTS AND TO PAY WELLS FARGO INSURANCE SERVICE USA, INC., AN AMOUNT NOT TO EXCEED $1,032,315 FOR THE COST FOR SUCH INSURANCE COVERAGE; 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”) Board of Trustees has approved the System’s Comprehensive Commercial Insurance Program and related lines of insurance coverage as described in Attachment I to this resolution; and

WHEREAS, the System’s current contract on the various lines of insurance coverage for its Comprehensive Commercial Insurance Program will expire on December 31, 2016; and

WHEREAS, quotes were solicited, received, and compiled for the System’s Comprehensive Commercial Insurance Program through the services of an agent/broker, Wells Fargo Insurance Service USA, Inc.; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept and approve the recommendation of Wells Fargo Insurance Service USA, Inc., for the System’s Comprehensive Commercial Insurance Program for the twelve-month period commencing December 31, 2016 in an amount not to exceed $1,032,315, (ii) to authorize the expenditure in an amount not to exceed $1,032,315, from the System Fund for such insurance coverage, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the necessary documents through Wells Fargo Insurance Service USA, Inc., and to pay an amount not to exceed $1,032,315 to Wells Fargo Insurance Service USA, Inc., for such insurance coverage; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the recommendation of Wells Fargo Insurance Service USA, Inc., for the System’s Comprehensive Commercial Insurance Program for the twelve-month period commencing December 31, 2016 in an amount not to exceed $1,032,315 is hereby accepted and approved.

2. That expenditures in an amount not to exceed $1,032,315 for such lines of insurance coverage as detailed on Attachment I to this Resolution are hereby made available and are to be expended from the System Fund.

3. That the President/Chief Executive Officer, or his duly appointed designee, is hereby authorized to execute all documents necessary to carry out acceptance of this recommendation and to pay an amount not to exceed $1,032,315 to Wells Fargo Insurance Service USA, Inc., for such lines of insurance coverage for the System for the twelve-month period commencing December 31, 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 shall take effect immediately from and after passage.

PASSED AND APPROVED this the 14th day of December 2016

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Sharon De La Garza, Vice President, Human Resources

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

SUBJECT: AUTHORIZATION FOR EXTENSION AND FUNDING OF A CONTRACT WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES TO PROVIDE EMPLOYMENT SERVICES

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves the extension of the contract with various temporary employment agencies. This resolution also authorizes funds in an amount not to exceed $1,113,311 with various temporary agencies for the period of January 1, 2017 through December 31, 2017 to provide employment services.

- Resolution No. 12-527, approved on, December 4, 2012 accepted the proposal of and authorized the execution of a new contract with various temporary employment agencies to provide employment services from January 1, 2013 and running through December 31, 2016, with two successive one-year term extensions.

- This resolution authorizes funding for the first of two one-year contract extensions with the various temporary employment agencies.

- Temporary employment workers are requested on an as-needed basis from the most appropriate agency, based on the type of work required and payment is made only upon actual use of the agencies.

- LeadingEdge Personnel, Tri-Starr Employment, Hart Employment, Labor On Demand, SeeKing HR (herein “various”) were selected as having the best overall proposals for the System.

- This resolution also authorizes funds in an amount not to exceed $1,113,311 to various temporary employment agencies for the period of January 1, 2017 through December 31, 2017 to provide employment services.

Staff recommends that the Board approve this resolution.
Approval of Contract Extension
Temporary Employment Services

FINANCIAL IMPACT:

Funds for the services to be provided during FY 2017 will be paid from System Funds budgeted in the 2017 Budget, pursuant to and contingent upon Board Approval of the 2017 and subsequent years budgets with a line item for such expenditures (Company: 1000, Center Number: various, Account: 511315, Total amount: $1,113,311).

Each department will fund the cost of temporary employees in their cost centers as services are utilized.

SUPPLEMENTARY COMMENTS:

SAWS awarded from the following vendors:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Local/Non-Local</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hart Employment</td>
<td>Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>Labor on Demand</td>
<td>Local</td>
<td>WBE-Hispanic</td>
</tr>
<tr>
<td>LeadingEdge</td>
<td>Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>SeeKing HR</td>
<td>Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>Tri-Starr Personnel</td>
<td>Local</td>
<td>WBE-Caucasian</td>
</tr>
</tbody>
</table>

* Successful Firms

If any of the agencies fail to perform to the satisfaction of management, SAWS reserves the right to replace them with the next highest ranked agency that meets the necessary requirements.

If the selected agencies cannot provide specialized temporary employee services, SAWS has the right to obtain temporary employees through other agencies.

\[Signature\]
Sharon De La Garza
Vice President, Human Resources

APPROVED:

\[Signature\]
Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE FIRST YEAR OPTIONAL EXTENSION OF A FOUR YEAR CONTRACT WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES IN AN AMOUNT NOT TO EXCEED $1,113,311 FOR EMPLOYMENT SERVICES FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $1,113,311 FOR EMPLOYMENT SERVICES FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE THE FIRST OPTION EXTENSION YEAR OF A FOUR YEAR CONTRACT WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES AND TO PAY VARIOUS TEMPORARY EMPLOYMENT AGENCIES AN AMOUNT NOT TO EXCEED $1,113,311 FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 FOR EMPLOYMENT SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) currently contracts with the temporary employment agencies listed in Attachment I to provide temporary worker services for the System; and

WHEREAS, temporary employment workers are requested on an as-needed basis from the most appropriate agency, based on the type of work required and payment is made only upon actual use of the agencies; and

WHEREAS, temporary services and funding for such services are required for efficient operation of the System; and

WHEREAS, System funds in an amount not to exceed $1,113,311 are required for the first year extension option with various temporary employment agencies for the period of January 1, 2017 through December 31, 2017 to provide employment services; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the first option year extension of a four year contract with various temporary employment agencies for employment services in an amount not to exceed $1,113,311 for the period of January 1, 2017 through December 31, 2017, (ii) to approve the expenditures in an amount not to exceed $1,113,311 from the System Fund for temporary worker services from temporary employment agencies listed in Attachment I from January 1, 2017 through December 31, 2017, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the first option year extension of a four year contract with the various temporary employment agencies, and to pay an amount not to exceed $1,113,311 to the temporary employment agencies for temporary worker services from January 1, 2014 through December 31, 2014; now, therefore:

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

1. That the approval of the first option year extension of a four year contract with various temporary employment agencies for employment services for the period of January 1, 2017 through December 31, 2017 is hereby approved.

2. That expenditures in an amount not to exceed $1,113,311 for the period of January 1, 2017 through December 31, 2017 are hereby approved to be expended from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the first option year extension of a four year contract with the various temporary employment agencies, and to pay an amount not to exceed $1,113,311 to the temporary employment agencies for temporary worker services from January 1, 2017 through December 31, 2017.

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 14th day of December, 2016.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________________
Ernesto Arrellano, Jr., Secretary
Attachment I

LeadingEdge Personnel
Tri-Starr Personnel
Hart Employment
Labor On Demand
SeeKing HR
TO: San Antonio Water System Board of Trustees

FROM: Anne Hayden, Manager, Communications, and Gavino Ramos, Vice President, Communication & External Relations

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

SUBJECT: APPROVAL OF EXPENDITURES TO DEVELOP ADVERTISING MATERIALS AND TO PURCHASE PLACEMENT WITH MEDIA OUTLETS

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves the expenditure of funds in excess of $50,000.00 to various media advertising outlets or production companies. These amounts are not to exceed $272,250.00 in the aggregate from the Communications & External Relations budget for the period of January 1, 2017 through December 31, 2017. The purpose of these expenditures is to develop advertising and obtain media space, media time and production of advertising to support various messages such as water conservation, grease and wipes abatement and branded messaging for the San Antonio Water System (SAWS).

- Since 2011, SAWS has managed the advertising development, media planning, media placement, media payment in-house.

- In-house coordination and purchasing of media and creative production services resulted in a minimum of $121,000.00 of cost avoidance in 2016 for services being placed on behalf of SAWS.

- Advertising production is produced through multiple companies providing independent artwork, computer editing, translations, direct mail work and broadcast materials.

- Advertising production in excess of $3,000.00 is conducted through multiple bids.

- Advertising placement is purchased from a variety of media outlets without competitive bidding as a result of a change in Chapter 252 of the Local Government Code via SB 1765 effective September of 2007, which exempts advertising other than legal notices from the statute.

Among radio outlets used in 2016 to support branded messaging and targeted for use in 2017 include: KJXK 102.7, KROM 92.9, KONO 101.1, KTKX 106.7, KQXT 101.9, KCYY 100.3, and KSAH 104.1.

Among the television outlets used in 2016 to support branded messaging and targeted for use in 2017 include: KSAT-12, KENS-5, KWEX-41, and Spectrum Cable (former Time-Warner Cable.

Board authorization is required for an expenditure in excess of $50,000.00. This includes cumulative expenditures that together exceed the $50,000.00 threshold. Because of the need to develop and place advertising, cumulative spending to various different media sources may exceed the $50,000.00 limit per outlet, each which would otherwise require Board Approval.

In order to make timely purchase and placing of the advertising, authorization is requested to make these expenditures in excess of $50,000.00 per outlet, but limited to an amount not to exceed $272,250.00 from the 2017 budget for Communications & External Relations.

The addition of radio, internet and print ads during the period of January 1, 2017 through December 31, 2017 can currently be funded using the projected 2017 budget dollars.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds for the services planned are within the current parameters of the 2017 Communications & External Relations budget. There is no increase in budget expenditures in the memo and resolution.

Anne Hayden
Manager, Communications

Gavino Ramos
Vice-President, Communications & External Relations

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS TO DEVELOP AND PLACE ADVERTISING IN EXCESS OF $50,000.00 PER MEDIA OUTLET IN AN AMOUNT NOT TO EXCEED $272,250.00 IN THE AGGREGATE FROM THE COMMUNICATIONS & EXTERNAL RELATIONS AFFAIRS BUDGET; AUTHORIZING THESE EXPENDITURES IN AN AMOUNT NOT TO EXCEED $272,250.00 FROM THE FISCAL YEAR 2017 BUDGET FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO ALLOW THE USE OF FUNDS IN EXCESS OF $50,000.00 PER PRODUCTION AND MEDIA OUTLET TO SUPPORT MESSAGING TO THE RATEPAYERS OF SAN ANTONIO AND TO PAY VARIOUS MEDIA OUTLETS IN AN AMOUNT NOT TO EXCEED $272,250.00 FROM THE COMMUNICATIONS & EXTERNAL RELATIONS BUDGET FOR THE PERIOD OF JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 FOR MEDIA TIME OR SPACE; 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”) currently does not use the services of an advertising agency or media buying service; and

WHEREAS, the System now directly plans and places radio, internet and print advertising in-house; and

WHEREAS, the in-house coordination and purchasing of media and creative production services resulted in a minimum of $121,000.00 of cost avoidance services being placed on behalf of the System; and

WHEREAS, the purchase of media by the System is authorized under Chapter 252 of the Local Government Code, which exempts advertising other than legal notices from the statute; and

WHEREAS, advertising production in excess of $3,000.00 is conducted through a bidding process; and
WHEREAS, additional messaging using some of the current and additional media sources may require cumulative expenditure in excess of $50,000.00 per production and media outlet in support of the System’s messaging, with total expenditures not to exceed $272,250.00 from the Communications & External Relations budget for January 1, 2017 through December 31, 2017; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in excess of $50,000.00 per media and production outlet in support of the System’s messaging to the ratepayers of San Antonio, (ii) to approve the total expenditures in an amount not to exceed $272,250.00 from the Communications & External Relations budget from the System Fund for the period of January 1, 2017 through December 31, 2017, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to expend funds in excess of $50,000.00 per media and production outlet in support of the System’s messaging to the ratepayers of San Antonio with total expenditures not to exceed $272,250.00 from the Communications & External Relations budget from January 1, 2017 through December 31, 2017; now, therefore:

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

1. That the approval of spending funds in excess of $50,000.00 per media outlet is hereby approved.

2. That total expenditures in an amount not to exceed $272,250.00 from the Communications & External Relations budget for FY 2017 are hereby approved to be expended from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to allow the expenditure of funds exceeding $50,000.00 per media and production outlet in support of the System’s messaging with total expenditures not to exceed $272,250.00 from the Communications and External Affairs budget for January 1, 2017 through December 31, 2017.

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 14th day of December, 2016.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Gavino Ramos, Vice President, Communication & External Relations

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

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUND FOR ADVERTISING DEVELOPMENT AND / OR GRAPHIC DESIGN SERVICES

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1 and authorizes an amount not to exceed $30,000.00 for additional services related to advertising development and/or graphic design services. It authorizes the San Antonio Water System’s (the “System”) President/Chief Executive Officer to provide additional payment in an amount not to exceed $30,000.00 and to extend the contract period ending January 31, 2017 to Blonde Creative LLC.

- On December 2, 2015 System issued a Request for Proposals for Graphic Design Services. These services were to supplement internal creative and graphic resources on a period basis to meet added service demands.

- On December 11, 2015 System received two proposals for these services and those proposals were evaluated by staff.

- On December 22, 2015 System awarded a contract for Graphic Design Services for $49,000.00 for a one-year period, ending on December 22, 2016 to Blonde Creative LLC, a local / MBE – Hispanic company.

- Since this contract did not exceed $50,000.00, no Board of Trustee action was needed on the initial award of this contract. Since this amendment would increase the total contract more than $50,000.00, this amendment is presented for Board approval.

- Blonde Creative LLC has provided high quality advertising and graphic support services to System during the 2016 fiscal year.

- The use of Blonde Creative LLC will be continued strategic enhancement to internal resources.

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

Funds for the services to be provided by Blonde Creative LLC. are within the current parameters of the 2016 and 2017 Communications & External Relations budgets.

The services will be paid from System Funds budgeted in the 2016 and 2017 Budgets, pursuant to and contingent upon Board approval of the 2017 budget with a line item for such expenditures (Company: 1000, Center Number: 5002400, Account: 511312, Total 2017 amount: $30,000.00).

Total value of this action is an amount not to exceed $30,000.00

<table>
<thead>
<tr>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Original Contract Amount</td>
</tr>
<tr>
<td>Proposed Contract Amendment No. 1</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

Gavino Ramos  
Vice President, Communications and External Relations

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 1 TO PROVIDE FOR ADDITIONAL SERVICES RELATED TO ADVERTISING DEVELOPMENT AND/OR GRAPHIC DESIGN SERVICES, AND TO EXTEND THE TERM OF THE EXISTING CONTRACT WITH BLONDE CREATIVE LLC FOR THE PERIOD OF DECEMBER 23, 2016 THROUGH JANUARY 31, 2017 FOR ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $30,000.00; APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $30,000.00 FOR A TOTAL AUTHORIZATION AMOUNT NOT TO EXCEED $79,000.00 FROM THE SYSTEM FUND, PURSUANT TO AND CONTINGENT ON BOARD APPROVAL OF THE 2017 BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO AN EXISTING CONTRACT WITH BLONDE CREATIVE LLC FOR ADVERTISING DEVELOPMENT AND/OR GRAPHIC DESIGN SERVICES BASED ON ASSIGNMENTS FOR THE EXTENDED PERIOD FROM DECEMBER 23, 2016 THROUGH JANUARY 31, 2017, AND TO PAY BLONDE CREATIVE LLC AN AMOUNT NOT TO EXCEED $30,000.00 FOR THE ADDITIONAL CONTRACT SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING FOR A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, San Antonio Water System (the “System”) executed a contract with Blonde, LLC on December 22, 2015 for Graphic Design Services for an amount not to exceed $49,000.00 for a one-year period ending on December 22, 2016; and

WHEREAS, this contract did not exceed $50,000.00, and no Board of Trustee action was needed on the initial award of this contract; and

WHEREAS, this amendment would increase the total contract more than $50,000.00, and would extend the contract period from December 23, 2016 through January 31, 2017; and

WHEREAS, Blonde Creative LLC has provided high quality advertising and graphic support services during the 2016 fiscal year, and additional creative and graphic resources
of the highest professional level may be needed into 2017 fiscal year to enhance internal resources or capabilities; and

WHEREAS, additional System Funds are required in an amount not to exceed $30,000.00 for services for the extended contract period from December 23, 2016 through January 31, 2017; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No.1 by amending the existing contract with Blonde Creative LLC for additional funds in an amount not to exceed $30,000.00 and to extend the contract period from December 23, 2016 through January 31, 2017, (ii) to authorize expenditures in an amount not to exceed $30,000.00 to be expended from the System Fund, pursuant to and contingent upon the Board’s approval of the Fiscal Year 2017 budget with a line item for such expenditures, (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the contract with Blonde Creative LLC, for advertising development and / or graphic design services for the extended period of December 23, 2016 through January 31, 2017 in an amount not to exceed $30,000.00, and to pay Blonde Creative LLC an amount not to exceed $30,000.00 for the additional contract services; now, therefore:

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

1. That Contract Amendment No. 1 is hereby approved to provide additional services related to the existing contract with Blonde Creative LLC in an additional amount not to exceed $30,000.00.

2. That expenditures in an amount not to exceed $30,000.00 are hereby approved and to be expended from the System Fund to perform advertising development and / or graphic design services, pursuant to and contingent upon the Board’s approval of the Fiscal Year 2017 budget with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the existing contract with Blonde Creative LLC, for advertising development and / or graphic design services for the extended period of December 23, 2016 through January 31, 2017 in an amount not to exceed $30,000.00, and to pay Blonde Creative LLC an amount not to exceed $30,000.00 for the additional contract services.

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 work 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 14th day of December, 2016.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Scott R. Halty, Director, Resource Protection and Compliance, and Steven M. Clouse, Senior Vice President/Chief Operating Officer

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

SUBJECT: AUTHORIZING AN AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE CITY OF SAN ANTONIO FOR SUPPORT OF THE COAL TAR BASED SEALANT BAN

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes an agreement with the City of San Antonio (the “City”) and the San Antonio Water System (the “System”) for services to be provided in the support of the City’s ban on Coal Tar. The agreement authorizes the System to conduct sampling and analysis in relation to locations provided by the City. The City will reimburse the System up to and not to exceed $50,000.00 for the sampling and analysis services provided annually and may only exceed $50,000.00 annually with the written concurrence of both Parties.

- Through Ordinance 2016-06-30-2016, the San Antonio City Council identified that coal tar sealant pavement products pose a public health and safety threat to the citizens and environment of the City of San Antonio.

- Coal tar sealant products are used on asphalt or concrete surfaces including driveways or parking lots to prevent damage to surfaces. These surface applied sealing products contain coal tar at a higher percentage of polycyclic aromatic hydrocarbons (PAHs) than other pavement sealant product applications.

- The City and the System shall enter into an agreement, Attachment A that authorizes the System to conduct sampling and analysis in relation to locations provided by the City.

- City shall be responsible for performing all documentation and field/laboratory analysis regarding possible instances/locations of coal tar sealant pavement product usage within the San Antonio City limits. City solely shall be responsible for directing System to test locations. As such, City has the responsibility to ensure System personnel have the necessary permission to access sampling sites, as directed by City, pursuant to Chapter 26, Pollution Control, of the City of San Antonio Code (specifically Article IV – Coal Tar Sealant Pavement Products).
Coal Tar Ban Agreement Support

- Upon City’s site/location identification, within thirty (30) days of said identification, System representatives shall proceed to the City-identified location(s) and conduct on-site field tests on the identified possible coal tar sealant pavement product. Upon determining the “presence” of coal tar, System shall send representative pavement sample(s) to a certified laboratory of System’s choosing for validation and determination of percent of PAHs.

- Upon receipt of the lab results from the System-selected certified laboratory, System shall forward said laboratory testing analysis results and calculations to City for any necessary action then to be undertaken by City. The information forwarded to City shall include, but not be limited to:

  Lab results;
  ▪ QA/QC of said lab results;
  ▪ Photos and written documentation of System efforts;
  ▪ Calculations for the 16 PAHs, to determine if the percent of PAHs is >2%;
  ▪ A cover letter stating System’s finding(s) and its recommendation to City.

- Pursuant to this Agreement, System shall have no responsibility to enforce City’s ban on coal tar sealant pavement products, other than sampling for compliance of the ban on coal tar sealant pavement products. In the event City wishes the assistance of System in the enforcement of City’s ban on coal tar sealant pavement products, City shall seek a formal amendment to this agreement with the System in accordance with Article XVII.

- System shall update the costs shown in, Attachment A, for use in the following year no later than November 30th of current year. System shall not be responsible for performing any work or incurring any expenses that exceed City’s Contribution.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

This reimbursement of funds from the City of San Antonio will not exceed the annual amount of $50,000.00.

Scott R. Halty, Director  
Resource Protection and Compliance

Steven M. Clouse,  
Sr. Vice President/ Chief Operating Officer
Coal Tar Ban Agreement Support

APPROVED:

[Signature]

Robert R. Puente
President/Chief Executive Officer

Attachment A: Draft Agreement
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND SAN ANTONIO WATER SYSTEM FOR COAL TAR SEALANT BAN SUPPORT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Ordinance 2016-06-30-0518, approved on June 30, 2016 by the San Antonio City Council, found that coal tar sealant pavement products pose a public health and safety threat to the citizens and environment of the City of San Antonio (the “City”), and banned the use of coal tar sealant pavement products within the City; and

WHEREAS, City staff has identified several possible entities to assist in the testing of coal tar sealants when violations are reported and has determined that the best partner to assist in sampling and testing is the San Antonio Water System (the “System”); and

WHEREAS, System and the City currently have an agreement for our municipal separate storm sewer system (MS4) permit which includes inspections, use of their lab for testing, and their enforcement abilities, and this partnership provides existing testing which the proposed agreement would only minimally increase; and

WHEREAS, this Agreement between the City and System is to provide sampling services to ensure compliance with the ban on coal tar sealant pavement products, in an amount not to exceed $50,000 annually starting January 1, 2017, for a term of one year with three one-year renewal options; and

WHEREAS, City shall be responsible for performing all documentation and research regarding possible instances/locations of coal tar sealant pavement product usage within the San Antonio City limits. The City solely shall be responsible for directing System to test locations. As such, City has the responsibility to ensure System personnel have the necessary permission to access sampling sites, as directed by City, pursuant to Chapter 26, Pollution Control, of the City of San Antonio Code (specifically Article IV – Coal Tar Sealant Pavement Products); and

WHEREAS, upon City’s site/location identification, within thirty (30) days of said identification, System representatives shall proceed to the City-identified location(s) and conduct on-site field tests on the identified possible coal tar sealant pavement product. Upon collecting the necessary on-site field samples as necessary, System shall send the collected field samples to a certified laboratory of System’s choosing for confirmation testing; and
WHEREAS, upon receipt of the lab results from the System-selected certified laboratory, System shall forward said laboratory test verification results to City for any necessary action then to be undertaken by City; and

WHEREAS, pursuant to this Coal Tar Ban Support Agreement, System shall have no responsibility to enforce City’s ban on coal tar sealant pavement products, other than sampling for compliance of the ban on coal tar sealant pavement products. In the event City wishes the assistance of System in the enforcement of City’s ban on coal tar sealant pavement products, City shall seek a formal amendment to this agreement with System in accordance with Article XVII; and

WHEREAS, System shall update the costs shown in Agreement for use in the following year no later than November 30th of current year, and shall not be responsible for performing any work or incurring any expenses that exceed City’s Contribution; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the terms of the Agreement, (ii) to authorize the execution of the Agreement by the President/Chief Executive Officer or his duly appointed designee, and (iii) to take such steps necessary to secure reimbursement by the City for costs incurred by the System in accordance with the terms of the Agreement; now, therefore:

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

1. The terms and conditions of the Coal Tar Ban Support Agreement between the City of San Antonio and the San Antonio Water System, which is attached as Attachment A along with the cost schedule, and incorporated into this resolution for all purposes, are hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Coal Tar Ban Support Agreement.

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 notices of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given as required by the Texas Code Annotated, as amended, title 5, Chapter 551, Government Code.

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 14th day of December, 2016.

ATTEST:

______________________________
Berto Guerra, Jr., Chairman

______________________________
Ernesto Arrellano, Jr., Secretary

Attachment A: Draft Agreement
THIS AGREEMENT (hereafter referred to as “the Agreement” or “this Agreement”) for COAL TAR SEALANT BAN SUPPORT is effective as of the _________ day of ____________, 20____ (hereafter referred to as “Effective Date”), by and between the CITY OF SAN ANTONIO, TEXAS, a Texas Home Rule Municipality (hereafter referred to as “City”) and its water and sewer utility, the SAN ANTONIO WATER SYSTEM, (hereafter referred to as “SAWS”), acting by and through its officers, hereto duly authorized. City and SAWS singularly or collectively shall be referred to herein as “Party” or “the Parties.”

WITNESSETH

WHEREAS, through Ordinance 2016-06-30-2016, the San Antonio City Council found coal tar sealant pavement products pose a public health and safety threat to the citizens and environment of the City of San Antonio; and

WHEREAS, the San Antonio City Council recognizes lakes, rivers, streams and other bodies of water are natural assets which enhance the environmental, recreational, cultural and economic resources of the City of San Antonio and contribute to the general health, safety and welfare of the community; and

WHEREAS, pursuant to the City Council’s recognition and determination coal tar sealant pavement products are harmful to the natural assets of the City, the use of coal tar sealant pavement products are hereby banned and their use is prohibited within the City of San Antonio; and

WHEREAS, all officials duly authorized, including but not limited to peace officers of the state and those authorized by statute to issue citations for Class C misdemeanors, may assist the City of San Antonio in enforcement of the coal tar sealant pavement product ban; and

WHEREAS, the City has identified SAWS as the most appropriate party to assist the City in the testing of the coal tar sealant pavement products; and

WHEREAS, through this Agreement, SAWS accepts the responsibilities associated with assisting the City in the testing of coal tar sealant pavement products, said responsibilities outlined herein; and

WHEREAS, the Parties desire to enter into this Agreement, to establish the rights and obligations of the Parties for the enforcement of the ban of coal tar sealant pavement products
within the San Antonio city limits and to establish the procedures for funding this assistance.

NOW, THEREFORE, in consideration of the mutual covenants and agreement stated herein, the Parties agree as follows:

ARTICLE I
RECITALS

Each of the above Recitals stated herein above are incorporated into and made a part of this Agreement.

ARTICLE II
PURPOSE

The purpose of this Agreement is to establish the terms and conditions for SAWS assisting the City with the testing of coal tar sealant pavement products applied within the limits of the City of San Antonio.

ARTICLE III
TERM

3.01 Except as otherwise provided herein, this Agreement shall commence upon the execution date of the last signatory party to the Agreement and terminate upon the expiration of this Agreement. This Agreement shall be for a period of one (1) year (hereafter referred to as the “Initial Term”) with three one-year options (hereafter referred to as the “Option Period”).

3.02 Either Party may terminate this Agreement following the Initial Term and/or before exercising any of the Option Period annual renewals or as designated in Article XI herein.

ARTICLE IV
FINANCIAL COMMITMENT

4.01 City’s annual commitment under this Agreement shall not exceed FIFTY THOUSAND DOLLARS AND NO/100 ($50,000.00) (hereafter referred to as “City’s Contribution”). City’s Contribution shall be utilized to reimburse SAWS for expenses incurred from the investigation and testing of coal tar sealant products. Such expenses shall be as specified on the cost schedule in “Exhibit A”, attached hereto and incorporated herein by reference. SAWS shall update the costs shown in “Exhibit A” for use in the following year no later than November 30th of current year. SAWS shall not be responsible for performing any work or incurring any expenses that exceed City’s Contribution.
4.02 The Parties acknowledge City’s Contribution defined in this Agreement, to reimburse SAWS for expenses incurred in the testing of coal tar sealant pavement products, is independent of the necessary enforcement expenses that are and shall remain City’s responsibilities during the duration of and after this Agreement has been terminated. The Parties further acknowledge none of SAWS’ revenues, including those from its water, wastewater, recycled water and chilled water services, shall be used to support the services it provides the City under this Agreement.

4.03 SAWS shall submit an invoice to City on a monthly basis for the reimbursement of expenses incurred, pursuant to this Agreement. Said invoicing by SAWS shall be through City’s internet-based Project Management System, also known as PRIME Link.

4.04 SAWS has no obligation to pay any of City’s incurred expenses for enforcement of the ban of coal tar sealant pavement products.

4.05 **FIFTY THOUSAND DOLLARS AND NO/100 ($50,000.00)** is the total annual maximum City Contribution committed under this Agreement. No other funds shall be available from City under this Agreement unless City increases its requested scope of work to SAWS, pursuant to this Agreement.

4.06 City’s Contribution only may exceed **FIFTY THOUSAND DOLLARS AND NO/100 ($50,000.00)** annually with the written concurrence of the Parties hereto.

---

**ARTICLE V**

**OBLIGATIONS OF CITY**

5.01 Pursuant to this Agreement, City shall perform and provide the following:

a. City shall be responsible for performing all documentation and research regarding possible instances/locations of coal tar sealant pavement product usage within the San Antonio city limits.

b. City solely shall be responsible for directing SAWS to test locations. As such, City has the responsibility to ensure SAWS personnel have the necessary permission to access sampling sites, as directed by City, pursuant to Chapter 26, Pollution Control, of the City of San Antonio Code (specifically Article IV – Coal Tar Sealant Pavement Products).

c. Upon discovery of possible usage of coal tar sealant pavement product usage, City shall direct SAWS to those usage sites for SAWS’s testing and sampling.

d. If/When coal tar sealant pavement product usage is confirmed, based on test results on samples collected by SAWS and sent to a certified lab (and/or sub-consulting lab) of SAWS’s choosing, City shall address all enforcement options
afforded to it, to include citizen notification.

5.02 City hereby identifies its Director of Transportation & Capital Improvements (hereafter referred to as “TCI”) or his/her designee as its contact person for this Agreement. The Director of TCI shall designate a City representative as Project Manager for this work.

ARTICLE VI
OBLIGATIONS OF SAWS

6.01 Pursuant to this Agreement, SAWS shall perform and/or provide the following:

a. Upon City’s site/location identification, within thirty (30) days of said identification, SAWS representatives shall proceed to the City-identified location(s) and conduct on-site field tests on the identified possible coal tar sealant pavement product.

b. If the on-site field tests on the identified coal tar sealant pavement product(s) test positive, SAWS shall sample as many locations within the identified site as SAWS deems necessary, collecting samples for off-site laboratory testing.

c. Upon collecting the necessary on-site field samples as necessary, SAWS shall send the collected field samples to a certified laboratory of SAWS’s choosing for confirmation testing.

d. Upon receipt of the lab results from the SAWS-selected certified laboratory, SAWS shall forward said laboratory test verification results to City for any necessary action then to be undertaken by City. The information SAWS shall forward to City shall include, but not be limited to:

1. Lab results;
2. QA/QC of said lab results;
3. Photos and written documentation of SAWS efforts;
4. Calculations for the 16 PAHs, to determine if the percent of PAHs is >2%;
5. A cover letter stating SAWS’s finding(s) and its recommendation to City.

e. Pursuant to this Agreement, SAWS shall have no responsibility to enforce City’s ban on coal tar sealant pavement products, other than sampling for compliance of the ban on coal tar sealant pavement products.

f. In the event City wishes the assistance of SAWS in the enforcement of City’s ban on coal tar sealant pavement products, City shall seek a formal amendment to this agreement with SAWS in accordance with Article XVII.
6.02 SAWS hereby identifies its Director of Resource Protection & Compliance or his/her designee as its contact person for this Agreement. SAWS’s Director of Resource Protection & Compliance shall designate a SAWS representative as Project Manager for this work.

ARTICLE VII
JOINT OBLIGATIONS OF THE PARTIES

7.01 The Parties shall agree upon the SAWS pricing for its efforts under this Agreement and shall adhere to said agreed upon pricing schedule through the duration of this Agreement. Said agreed upon pricing schedule has been attached hereto and labeled as “Exhibit A”. This agreed upon pricing shall include costs to be incurred for the SAWS-selected certified laboratory chosen by SAWS to perform the additional off-site testing.

7.02 Any changes to the agreed upon pricing schedule of this Agreement shall be in writing and signed by the Parties to this Agreement.

ARTICLE VIII
SAWS’S RIGHTS UNDER THIRD PARTY CONTRACTS

8.01 SAWS agrees City shall have the authority to contract, on behalf of City, for all services necessary for any additional testing and/or enforcement of City’s ban on coal tar sealant pavement products.

8.02 City shall provide SAWS, upon SAWS’s request, a fully executed copy of each contract entered into by City pursuant to this coal tar sealant pavement product ban and enforcement.

8.03 In all such coal tar sealant pavement product ban contracts entered into by City, City shall include provisions reflecting:

a. SAWS shall be named as an additional insured on all policies naming City as an additional insured and shall be entitled to make claims, to the extent of SAWS’s interest in the Project, under all insurance coverage. If requested, prior to the commencement of any work by any service provider, vendor, Consultant, Contractor, Sub-Consultant or Subcontractor of City related to the coal tar sealant pavement product ban, City shall provide SAWS’s Risk Management office with copies of completed Certificates of Insurance and endorsements or policy materials necessary to document compliance with these requirements. 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, any extension or renewal hereof, and to modify insurance coverage and minimum limits when deemed necessary and prudent by SAWS, based upon changes in statutory law, court decisions or circumstances surrounding this Agreement. City shall not allow any modifications whereupon SAWS may incur increased risks.

b. City shall require all Contractors, Consultants, suppliers and service providers, including, but not limited to, all Sub-Consultants and Subcontractors, engaged to assist City with enforcing the coal tar sealant pavement product ban 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 shall require in its contracts for services relating to the ban on coal tar sealant pavement products the contracting parties, and with all Sub-Consultants and Subcontractors, be required to indemnify SAWS and City, their officials, employees and agents, for claims by third parties, as allowed by law.

d. City shall require all Consultants, Sub-Consultants, Contractors, and 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.

e. City shall state in all agreements with third-parties SAWS is a third-party beneficiary to those agreements.

ARTICLE IX
COAL TAR SEALANT PAVEMENT PRODUCTS BAN MANAGEMENT

9.01 City shall manage, oversee, administer and carry out all of the activities and services required for the enforcement of the ban on coal tar sealant pavement products, to ensure the ban is being enforced as the San Antonio City Council directed.

9.02 Upon approval of this Agreement by the governing bodies of the Parties, the Parties’ respective Directors or their designees shall schedule a meeting to finalize the team structure and develop the procedures and processes necessary to finalize:

a. Coordination of the testing of coal tar sealant pavement products;

b. the required follow up testing by a certified laboratory; and

c. SAWS pricing schedule for its efforts hereunder.
City’s Project Manager shall provide written notice to SAWS’s Project Manager a minimum of ten (10) business days prior to the issuance of the first request for a field test of coal tar sealant pavement products.

ARTICLE X
DEFAULT

In the event of a material breach of this Agreement, the non-breaching Party shall give the breaching party written notice of such breach which shall detail the nature of the breach. The Party receiving the notice of breach shall be given thirty (30) days to cure the breach. If the breach is not corrected to the reasonable satisfaction of the non-breaching Party by the end of the thirty (30) day period, the non-breaching Party may give written notice of termination of this Agreement to the breaching party and seek to recover damages not to exceed the amount paid by the non-breaching party for the Project.

ARTICLE XI
TERMINATION FOR CONVENIENCE

Whenever either Party, in its sole discretion, deems it to be in that Party’s best interest, it may terminate this Agreement at will for convenience. Such termination shall be effective thirty (30) days after the terminating Party delivers written notice of termination of convenience to the other Party. If the Agreement is terminated by a Party prior to verification and payment by City to SAWS for any unpaid obligations for completed testing work, by SAWS or SAWS’s certified laboratory conducting testing pursuant to this Agreement, City shall pay SAWS any remaining money due SAWS for completed testing or independent laboratory work. The Parties shall have no additional liability to one another for termination under this Article XI.

ARTICLE XII
PRIOR AGREEMENTS SUPERSEDED

This Agreement, including the exhibits, constitute the entire Agreement of the Parties regarding the subject matter of this Agreement and supersede all previous agreements and understandings, whether written or oral, relating to such subject matter.

ARTICLE XIII
ASSIGNMENT OR TRANSFER OF INTEREST

Neither Party may assign its rights, privileges and obligations under this Agreement, in whole or in part, without the prior written consent of the other Party. Any attempt to assign without such approval shall be void.
ARTICLE XIV
LEGAL CONSTRUCTION

In case one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalid, illegal or unenforceable provision shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

ARTICLE XV
COMPLIANCE WITH LAWS AND ORDINANCES

Both Parties shall comply with all federal, state and local laws and ordinances, in connection with the work and services performed under this Agreement.

ARTICLE XVI
TEXAS LAW TO APPLY

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the Parties created hereunder are performable in San Antonio, Bexar County, Texas.

ARTICLE XVII
AMENDMENT

No amendment, modification or alteration of the terms of this Agreement shall be binding unless the same shall be in writing, dated subsequent to the date hereof and be duly executed by the Parties hereto.

ARTICLE XVIII
NOTICES

All notices required to be given under this Agreement shall be in writing and either shall be personally served against a written receipt therefore or given by certified mail or registered mail, return receipt requested, postage prepaid and addressed to the proper party at the address which appears below, or at such other address as the Parties hereto may hereafter designate in accordance herewith, unless a provision of this Agreement designates another party and provides a different address. All notices given by mail shall be deemed to have been given at the time of deposit in the United States mail and shall be effective from such date.
ARTICLE XIX
FORCE MAJEURE

Neither Party shall be responsible for delays or lack of performance by such entity or its officials, agents or employees which result from acts beyond that entity’s reasonable control, including acts of God, strikes or other labor disturbances or delays by federal or state officials in issuing necessary regulatory approvals and/or licenses. In the event of any delay or failure excused by this Article, the time of delivery or of performance shall be extended for a reasonable time period to compensate for delay.

ARTICLE XX
MULTIPLE COUNTERPARTS

This Agreement may be executed in separate identical counterparts by the Parties hereto and each counterpart, when so executed and delivered, shall constitute an original instrument and all such separate identical counterparts shall constitute but one and the same instrument.
EXECUTED IN DUPLICATE ORIGINALS, each of which shall have the full force and effect of an original, on this __________ day of __________________________, 20______.

CITY OF SAN ANTONIO

By: _____________________________
    SHERYL SCULLEY
    City Manager

Date: ____________________________

SAN ANTONIO WATER SYSTEM

By: ______________________________
    Steven M. Clouse
    Chief Operating Officer

Date: ____________________________

APPROVED AS TO FORM:

______________________________
City Attorney’s Office
EXHIBIT A

FIELD TESTING COSTS
and
CERTIFIED LABORATORY TESTING COSTS

Coal Tar Sealant Ban Enforcement Support Costs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Screening Test</td>
<td></td>
</tr>
<tr>
<td>Personnel Cost per Hour</td>
<td>$ 40.88</td>
</tr>
<tr>
<td>Vehicle Cost per Hour</td>
<td>$ 2.93</td>
</tr>
<tr>
<td>Equip. &amp; Materials Cost per Activity</td>
<td>$ 10.17</td>
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<tr>
<td>Waste Disposal Cost per Activity</td>
<td>$ 22.42</td>
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<tr>
<td>Follow-Up Sample Collection &amp; Drop off</td>
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</tr>
<tr>
<td>Personnel Cost per Hour</td>
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<tr>
<td>Vehicle Cost per Hour</td>
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<td>Equip. &amp; Materials Cost per Activity</td>
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<td>Waste Disposal Cost per Activity</td>
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<td>Contract Laboratory PAH Test</td>
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<tr>
<td>Findings Review Cost Per Hour</td>
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<tr>
<td>Education &amp; Outreach</td>
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<tr>
<td>Personnel Cost per Hour</td>
<td>$ 51.65</td>
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<tr>
<td>Vehicle Cost per Hour</td>
<td>$ 2.93</td>
</tr>
</tbody>
</table>
TO: San Antonio Water System Board of Trustees

FROM: Stacey Isenberg, CPA, Chief of Internal Audit

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

SUBJECT: APPROVAL OF THE INTERNAL AUDIT RISK ASSESSMENT AND ANNUAL AUDIT PLAN FOR 2017 AND DIRECTING THAT THE PLAN BE IMPLEMENTED.

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The mission of the San Antonio Water System ("SAWS") Internal Audit Department is to provide independent and objective assurance and consulting services designed to add value and improve SAWS operations.

The purpose of Internal Audit is to assist the Audit Committee of the Board of Trustees and SAWS internal management in achieving the SAWS goals and objectives by providing analyses, evaluations, recommendations, counsel, and information concerning the audited activities and by promoting effective accountability.

The Chief of Internal Audit, working in conjunction with the Internal Audit staff, is responsible for developing an internal audit risk assessment and annual audit plan.

The risk assessment and audit plan for 2017 was reviewed by the Audit Committee during their regular meeting held on November 30, 2016. Exhibit A to the attached resolution provides details regarding the risk assessment and includes the 2017 annual audit plan.

The attached resolution provides for approval of the Internal Audit Risk Assessment and Annual Audit Plan for 2017 and further directs the Internal Audit Department to implement the Plan.
FINANCIAL IMPACT:
The cost of implementing the Annual Internal Audit Plan for 2017 is included in the 2017 SAWS budget.

Stacey Isenberg, CPA
Chief of Internal Audit

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE INTERNAL AUDIT RISK ASSESSMENT AND 2017 ANNUAL AUDIT PLAN; FURTHER DIRECTING THE INTERNAL AUDIT DEPARTMENT TO IMPLEMENT THE PLAN; 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 mission of the San Antonio Water System (the "System") Internal Audit Department is to provide independent and objective assurance and consulting services designed to add value and improve the System; and

WHEREAS, the purpose of the Internal Audit Department is to assist the Audit Committee of the Board of Trustees and internal management in achieving the System’s goals and objectives by providing analyses, evaluations, recommendations, counsel, and information concerning the audited activities and by promoting effective accountability; and

WHEREAS, the Chief of Internal Audit, working in conjunction with the Internal Audit staff, is responsible for developing an internal audit risk assessment and annual audit plan; and

WHEREAS, the risk assessment and audit plan for 2017 was reviewed by the Audit Committee during their regular meeting held on November 30, 2016; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Internal Audit Risk Assessment and 2017 Annual Audit Plan and (ii) to further direct the Internal Audit Department to implement the Plan; now, therefore:

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

1. That the Internal Audit Risk Assessment and 2017 Annual Audit Plan of the San Antonio Water System is hereby approved and attached as Exhibit A.

2. That the Internal Audit Department is hereby directed to implement the Plan.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 14th day of December, 2016.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Ernesto Arrellano, Jr., Secretary
EXHIBIT A
December 14, 2016

Mr. Berto Guerra Jr., Chairman
Mayor Ivy Taylor
Mr. Ernest Arrellano
Ms. Patricia Jasso
Mr. Louis E. Rowe
Ms. Patricia E. Merritt
Mr. David McGee

Dear Chairman, Mayor, and Trustees:

We have completed the internal audit risk assessment and annual audit plan for 2017 and are pleased to present it for your review and approval. The Plan was reviewed by the SAWS Audit Committee during the November 30, 2016 Audit Committee meeting.

EXECUTIVE SUMMARY

The proposed 2017 Annual Audit Plan is designed to provide audit coverage across the entirety of the San Antonio Water System (SAWS). The proposed audit plan focuses on the highest risk areas as identified in the risk assessment process coupled with areas of interest to the Executive Management Team (EMT) and Board of Trustees. The proposed audit plan was developed by collaborating with the EMT to obtain input regarding the perceived risks in their respective functional areas. Input was also obtained from the Board of Trustees and SAWS external auditors.

The 2017 audit plan will focus on four primary activities – audits, control self-assessments, advisory services, and the annual risk assessment. The Internal Audit Department is responsible for developing and implementing the audit plan. Resources available in the department to implement the plan include the Lead Auditor, a newly recruited Senior Auditor, and the Chief of Internal Audit. A vacant senior auditor position is currently being recruited and is anticipated to be filled in the first half of 2017.

RISK ASSESSMENT AND ANNUAL AUDIT PLAN FOR 2017

The **mission** of the Internal Audit Department is to provide independent and objective assurance and consulting services designed to add value and improve operations.

The **purpose** of the Internal Audit Department is to assist the Audit Committee of the Board of Trustees and SAWS internal management in achieving goals and objectives by providing analyses, evaluations, recommendations, counsel, and information concerning the audited activities and by promoting effective accountability.
To help ensure that the mission and purpose of the Internal Audit Department is met, the Chief of Internal Audit is charged with developing and implementing an internal audit risk assessment and annual audit plan. This plan is intended to provide the Audit Committee, the Board of Trustees and SAWS internal management with Internal Audit’s plan of work for 2017. The plan consists of 24 projects as well as allocated hours reserved for additional management requests. The 24 identified projects are categorized below:

<table>
<thead>
<tr>
<th>2017 AUDIT PROJECTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Audits</td>
<td>11</td>
</tr>
<tr>
<td>Follow-up Audit</td>
<td>1</td>
</tr>
<tr>
<td>Contingency Audits</td>
<td>3</td>
</tr>
<tr>
<td>Control Self-Assessments</td>
<td>3</td>
</tr>
<tr>
<td>Advisory Services Projects</td>
<td>4</td>
</tr>
<tr>
<td>Internal Audit Projects</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>

As noted above, the 2017 Annual Audit Plan includes three control self-assessment projects. During these projects, Internal Audit will facilitate workshops to help management identify, examine and improve the internal controls related to their processes or functions.

The Internal Audit Department is also authorized to perform work not specified in the plan when deemed necessary or in response to changes in the assessed risk, subject to concurrence by the Audit Committee.

**RISK ASSESSMENT PROCESS**

The Internal Audit Department uses a risk assessment process to identify and select the specific internal audit projects to be performed. The objective of this assessment is to ensure that SAWS has sufficient and continuous internal audit coverage of those areas judged as having a relatively high risk rating or that otherwise require internal audit attention.

Although the Annual Internal Audit Plan is based primarily on the risk assessment, other factors can influence the focus of audit efforts. This may include specific requests by the EMT or a Trustee, audit allocation across EMT areas, or audit requirements from prior audits or projects.

**AUDIT UNIVERSE**

The risk assessment process starts with the identification of all auditable areas within the organization. The table below indicates changes made to the number of auditable areas compared to the prior year.
As part of the risk assessment process, risk is estimated based on an evaluation of the Risk Categories described in the table below. Each auditable area is scored based upon the level of risk within each category. This rating process allows auditable areas to be objectively compared to each other based on relative overall risk.

<table>
<thead>
<tr>
<th>RISK CATEGORY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>Potential impact from external &amp; internal threats to maintaining alignment with SAWS business strategy</td>
</tr>
<tr>
<td>Operational</td>
<td>Ineffective or inefficient use of resources and operating procedures</td>
</tr>
<tr>
<td>Financial</td>
<td>Financial loss due to reporting, accounting, cash management or budgeting issues</td>
</tr>
<tr>
<td>Compliance</td>
<td>Regulatory sanctions, penalties and loss due to the failure to comply with applicable laws and regulations</td>
</tr>
<tr>
<td>System</td>
<td>Inefficiency and loss due to the lack of effective and integrated systems to process information</td>
</tr>
</tbody>
</table>

The auditable areas are ranked by overall risk rating and categorized as high, medium or low risk. The table below shows the number of auditable areas by risk level.

<table>
<thead>
<tr>
<th>AUDITABLE AREAS BY RISK LEVEL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>14</td>
</tr>
<tr>
<td>Medium</td>
<td>72</td>
</tr>
<tr>
<td>Low</td>
<td>150</td>
</tr>
<tr>
<td>Total</td>
<td>236</td>
</tr>
</tbody>
</table>
AUDIT RISK COVERAGE

The Audit Plan for 2017 continues to focus on the areas identified as having the greatest level of risk as shown in the following table:

<table>
<thead>
<tr>
<th>RISK</th>
<th>2013 - 2016 AUDIT PROJECTS</th>
<th>2017 AUDIT PROJECTS</th>
<th>TOTAL AUDIT PROJECTS</th>
<th>AUDIT UNIVERSE</th>
<th>AUDIT RISK COVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>11</td>
<td>3</td>
<td>14</td>
<td>14</td>
<td>100%</td>
</tr>
<tr>
<td>Medium</td>
<td>30</td>
<td>10</td>
<td>40</td>
<td>72</td>
<td>56%</td>
</tr>
<tr>
<td>Low</td>
<td>32</td>
<td>6</td>
<td>38</td>
<td>150</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
<td>19*</td>
<td>92</td>
<td>236</td>
<td>39%</td>
</tr>
</tbody>
</table>

*Excludes Internal Audit Projects and Control Self-Assessments

The above table indicates there will be 100% audit coverage of the high risk areas over a five-year period when the proposed 2017 audit projects are completed. Additionally, there will be audit coverage of 56% of the medium risk auditable areas.

We look forward to the opportunity to work together with the Audit Committee, Board of Trustees and Management to perform quality audits and provide other advisory services that will add strategic value to the SAWS operational processes. We wish to express our appreciation for the cooperation, courtesy and input provided by the Audit Committee members and SAWS Executive Management Team during the risk assessment process that led to the development of this Annual Audit Plan for 2017.

Respectfully submitted,

Stacey Isenberg, CPA
Chief of Internal Audit
## San Antonio Water System
### 2017 Proposed Internal Audit Plan

<table>
<thead>
<tr>
<th>Project #</th>
<th>Major Process</th>
<th>EMT Member</th>
<th>Auditable Area</th>
<th>Risk Rating (1-5)</th>
<th>Risk Level</th>
<th>Last Audited</th>
<th>Last Audit Opinion</th>
<th>Budgeted Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Field Operations</td>
<td>Barard</td>
<td>Meter Reading Contract</td>
<td>3.8</td>
<td>High</td>
<td>NPA</td>
<td>-</td>
<td>320</td>
</tr>
<tr>
<td>2</td>
<td>Resource Protection &amp; Compliance</td>
<td>Clouse</td>
<td>Water Quality</td>
<td>3.8</td>
<td>High</td>
<td>2011</td>
<td>Adequate</td>
<td>240</td>
</tr>
<tr>
<td>3</td>
<td>Sewer System Improvements</td>
<td>Haby</td>
<td>Pipe Condition Assessment</td>
<td>3.4</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>280</td>
</tr>
<tr>
<td>4</td>
<td>Engineering &amp; Inspections</td>
<td>Gomez</td>
<td>Pipelines - Governmental Projects</td>
<td>3.4</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>320</td>
</tr>
<tr>
<td>5</td>
<td>Business Planning</td>
<td>Bailey</td>
<td>CIP Accounting</td>
<td>3.2</td>
<td>Medium</td>
<td>2008</td>
<td>No Opinion</td>
<td>240</td>
</tr>
<tr>
<td>6</td>
<td>Customer Planning</td>
<td>Barard</td>
<td>Collection Process</td>
<td>3.2</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>280</td>
</tr>
<tr>
<td>7</td>
<td>Information Systems</td>
<td>Pulapaka</td>
<td>Data Center</td>
<td>2.8</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>8</td>
<td>Distribution &amp; Collection</td>
<td>Brinkmann</td>
<td>Flowable Fill Program</td>
<td>2.6</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>280</td>
</tr>
<tr>
<td>9</td>
<td>Operations</td>
<td>Clouse</td>
<td>Disaster Recovery / Business Continuity</td>
<td>2.4</td>
<td>Medium</td>
<td>2010</td>
<td>Requires Improvement</td>
<td>280</td>
</tr>
<tr>
<td>10</td>
<td>Financial Services</td>
<td>Evanson</td>
<td>Investments</td>
<td>2.4</td>
<td>Medium</td>
<td>2008</td>
<td>No Opinion</td>
<td>200</td>
</tr>
<tr>
<td>11</td>
<td>Sewer System Improvements</td>
<td>Haby</td>
<td>Risk Management Plan</td>
<td>2.4</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>280</td>
</tr>
<tr>
<td>12</td>
<td>Distribution &amp; Collection</td>
<td>Brinkmann</td>
<td>Meter Sets/Resets/Removals</td>
<td>2.2</td>
<td>Low</td>
<td>NPA</td>
<td>-</td>
<td>240</td>
</tr>
<tr>
<td>13</td>
<td>Records Management</td>
<td>Belinsky</td>
<td>Open Records Requests</td>
<td>2.2</td>
<td>Low</td>
<td>NPA</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>14</td>
<td>Water Resources</td>
<td>Burton</td>
<td>Recycled Water Contracts</td>
<td>1.8</td>
<td>Low</td>
<td>NPA</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>15</td>
<td>Sewer System Improvements</td>
<td>Haby</td>
<td>EARZ Compliance</td>
<td>3.8</td>
<td>High</td>
<td>2016</td>
<td>Inadequate</td>
<td>160</td>
</tr>
<tr>
<td>16</td>
<td>Customer Service</td>
<td>Barard</td>
<td>Identify Key Processes, Risks, and Controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>240</td>
</tr>
<tr>
<td>17</td>
<td>Information Systems</td>
<td>Pulapaka</td>
<td>Identify Key Processes, Risks, and Controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>240</td>
</tr>
<tr>
<td>18</td>
<td>Distribution &amp; Collection</td>
<td>Brinkmann</td>
<td>Identify Key Processes, Risks, and Controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>240</td>
</tr>
<tr>
<td>19</td>
<td>Engineering &amp; Inspections</td>
<td>Gomez</td>
<td>Plants &amp; Major Projects</td>
<td>3.4</td>
<td>Medium</td>
<td>NPA</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>20</td>
<td>Human Resources</td>
<td>De La Garza</td>
<td>Random Drug &amp; Alcohol Testing</td>
<td>2.2</td>
<td>Low</td>
<td>NPA</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>21</td>
<td>Conservation</td>
<td>Burton</td>
<td>Commercial Custom Rebate Program</td>
<td>1.4</td>
<td>Low</td>
<td>2011</td>
<td>Adequate</td>
<td>160</td>
</tr>
<tr>
<td>22</td>
<td>Public Affairs</td>
<td>Ramos</td>
<td>Community Relations/ Sponsorships</td>
<td>1.2</td>
<td>Low</td>
<td>NPA</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>23</td>
<td>All</td>
<td>All</td>
<td>Additional Management Requests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>240</td>
</tr>
<tr>
<td>24</td>
<td>Risk Assessment and Annual Audit Plan</td>
<td>All</td>
<td>All Departments, Functions and Activities</td>
<td></td>
<td></td>
<td></td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Internal Audit Self Assessment</td>
<td>Any</td>
<td>Internal Audit</td>
<td></td>
<td></td>
<td></td>
<td>80</td>
<td></td>
</tr>
</tbody>
</table>

**Total Hours**: 5,640

**Total without Contingency**: 5,040
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: REVISIONS TO THE INVESTMENT POLICY OF THE SAN ANTONIO WATER SYSTEM

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution revises the Investment Policy of the San Antonio Water System (SAWS). The Investment Policy provides a framework for and guidance in the investment of funds pursuant to the guidelines established in the City of San Antonio’s Ordinance No. 75686 and the provisions of the Public Funds Investment Act (PFIA). SAWS maintains an Investment Policy that sets out the objectives of legality, safety, liquidity, diversification, and yield.

An annual review by the Board of Trustees is a requirement of the Investment Policy. Revisions to the Investment Policy are proposed to allow flexibility when investing SAWS funds while maintaining prudent investment practices. The proposed revisions includes the following:

- Changing the references to SAWS from “the System” to “SAWS”
- Updating job titles from “Manager-Finance” to “Manager-Treasury”
- Various layout and formatting changes
- Adding Government Finance Officers Association of Texas (GFOAT) as a PFIA training provider option
- Adding specific investment pools to the Investment Pool section

Exhibit A to the resolution contains the Investment Policy.

Staff recommends Board approval of this resolution.

FINANCIAL IMPACT:

The Investment Policy provides the guidelines for the investment of SAWS funds. Revisions to the Investment Policy have no direct financial impact.
Douglas P. Evanson, CPA
Sr. Vice President/Chief Financial Officer

APPROVED:

[Signature]

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ADOPTING REVISIONS TO THE INVESTMENT POLICY OF THE SAN ANTONIO WATER SYSTEM PURSUANT TO THE GUIDELINES ESTABLISHED IN THE CITY OF SAN ANTONIO’S ORDINANCE NO. 75686 AND THE PROVISIONS OF THE PUBLIC FUNDS INVESTMENT ACT; DECLARING THAT THE REVISIONS TO THE INVESTMENT POLICY CONFORM TO THE REQUIREMENTS OF THE PUBLIC FUNDS INVESTMENT ACT; 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 has been the practice of the San Antonio Water System (the “System”) to apply the highest standard of care to the investment of System funds; and

WHEREAS, this standard of care is reflected in the System’s Investment Policy currently in effect; and

WHEREAS, revisions to the Investment Policy will allow flexibility when investing System funds while maintaining prudent investment practices; and

WHEREAS, the following revisions to the Investment Policy are proposed:
- Changing the references to SAWS from “the System” to “SAWS”
- Updating job titles from “Manager-Finance” to “Manager-Treasury”
- Various layout and formatting changes
- Adding Government Finance Officers Association of Texas (GFOAT) as a Public Funds Investment Act training provider option
- Adding specific investment pools to the Investment Pool section

WHEREAS, by approval of this resolution, the Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives is also approved; and

WHEREAS, the Board of Trustees of the San Antonio Water System desires (i) to adopt revisions to the Investment Policy of the San Antonio Water System pursuant to the guidelines established in the City of San Antonio’s Ordinance No. 75686, and the provisions of the Public Funds Investment Act, (ii) to declare that the revision to the System’s Investment Policy conforms to the requirements of the Public Funds Investment Act and any amendments thereto, and (iii) approve the Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the revisions to the San Antonio Water System Investment Policy is in accordance with the guidelines established in the City of San Antonio’s Ordinance No. 75686 and the provisions and requirements of the Public Funds Investment Act are hereby authorized and approved as attached in Exhibit A.

2. That the Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives is approved.

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

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

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 14th day of December, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
San Antonio Water System
San Antonio, Texas

INVESTMENT POLICY
December 2016

1.0 INTRODUCTION

Fiduciary responsibility for the management and safeguarding of the San Antonio Water System’s (SAWS) monetary assets resides with the SAWS’ Finance Department. SAWS’ investment strategy for all investments is to ensure availability of funds to meet cash flow requirements, safeguard and preserve principal, maintain liquidity, practice security diversification, and maximize yield, all within the context of understanding the suitability of each investment and the cash flow requirements of SAWS.

The Investment Policy (the “Policy”) for SAWS encompasses a dynamic framework, which, under the direction and approval of the Board of Trustees (the “Board”), provides SAWS with the flexibility and control required to execute investment transactions and manage the investment portfolio. The Policy incorporates the investment guidelines and mandates promulgated in the Texas Public Funds Investment Act (the “Act”), as amended. Daily investment transactions and management of SAWS’ invested funds are the responsibility of SAWS’ designated Investment Officers within the Treasury Department.

As prescribed by the Act, and as authorized by this Policy, pursuant to Board approval, SAWS’ designated Investment Officers include the Senior Vice President - Chief Financial Officer, Treasurer, and Manager – Treasury.

2.0 POLICY STATEMENT

This policy is designed to serve as a guideline for the investment of all SAWS’ funds by the individuals designated by the Board of Trustees as having the authority and responsibility for making such investments. This policy reflects the concept that SAWS, by law, manages funds defined as public funds.

This policy serves to satisfy the statutory requirements of Texas Government Code Chapter 2256 of the Act, as amended to define and adopt a formal investment policy. This policy will be reviewed and approved by the Board at least annually according to Section 2256.005(e) of the Act.

Provisions of the Investment Policy are designed to be consistent with guidelines set forth in City Ordinance No. 75686 (the authorizing ordinance of SAWS) which discusses investment of funds under management and control of the Board and are designed to be within the limitations of the Act and any amendments thereto.
SAWS' funds shall be kept and/or invested until required for payment of operating and maintenance expenses, debt service, construction costs, or any other debt or amount rightfully due and owed by SAWS.

Investments shall be made with the primary objectives of (in order of priority):

- **Legality** - Funds of SAWS shall be invested in accounts or instruments that are provided for by law.
- **Safety** - Funds of SAWS shall not be invested in accounts or instruments which expose the assets of SAWS to undue or unreasonable risk.
- **Liquidity** - Funds of SAWS shall be invested in accounts or instruments that mature in such a manner that cash is provided as required to finance daily maintenance and operation expenditures, construction costs, or other asset acquisitions.
- **Diversification** - SAWS should attempt to reduce investment risk by participating in a variety of authorized investment instruments and financial institutions.
- **Yield** - Funds of SAWS shall be invested in accounts or instruments that ensure a competitive rate of return after considering all other objectives of the Investment Policy. Active portfolio management may be practiced to enhance portfolio yield without a resulting increase in risk.

When determining the term of an investment, market trends and economic conditions shall be recognized factors within the parameters of projected cash requirements.

### 3-0. AUTHORITY FOR INVESTMENT

Authority for the investment of funds of SAWS in accordance with this policy is placed with the SVP-Chief Financial Officer, the Treasurer, and the Manager-Treasury.

### 4-0. INVESTMENT TRAINING

The SVP-Chief Financial Officer, the Treasurer, and the Manager - Treasury are the designated Investment Officers for SAWS. In order to ensure the quality and capability of investment management in compliance with the Act, SAWS shall provide periodic training in investments for the designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources. The Investment Officers of SAWS must comply with the following training requirements as required by the Act.

4-1. The Investment Officers must attend 10 hours of investment training within 12 months of taking office or assuming investment duties.

4-2. The Investment Officer must attend eight hours of investment training within a two year period that begins on the first day of SAWS’s fiscal year and consists of the two consecutive fiscal years after that date. The Investment Officer's training must be from an independent source that relates to the Investment Officer’s responsibilities and must comply with the Act. This training must include education in investment controls, investment-related risks, portfolio diversification, and compliance with and defined by the Act.
4-3. The independent training source can be from, but is not limited to the following:

- Government Treasurers Organization of Texas (GTOT)
- Texas Municipal League (TML)
- TEXPO
- Government Finance Officers Association (GFOA)
- Government Finance Officer Association of Texas (GFOAT)
- Universities
- Consultant Firms

5-0. STANDARD OF CARE

Investment Officers of SAWS who are related by blood, marriage within the second degree by affinity or consanguinity, or have a personal business relationship with a business organization offering to engage in an investment transaction with SAWS, shall file a statement disclosing that relationship or personal business interest with SAWS and the Texas Ethics Commission as required by the Act. Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the objectives stated in the Policy statement. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds, or funds under SAWS’ control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment and whether the investment decision was consistent with the written approved investment policy of SAWS.

6-0. PERMISSIBLE TYPES OF INVESTMENTS

The Act, as subsequently amended, direct and authorize specific investment parameters for the investment of public funds. Listed below are authorized investments by this statute and in which available funds of SAWS may be invested. Investment of SAWS’ funds in any instrument or security not authorized for investment under the Act and by this investment policy is prohibited.

6-1. Direct obligations, including letters of credit, of the United States or its agencies and instrumentalities.

6-2. Direct obligations of the State of Texas or its agencies and instrumentalities.

6-3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the United States or its agencies and instrumentalities or the State of Texas, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

6-4. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received not less than an "A" rating or its equivalent.

6-5. Certificates of Deposit and Share Certificates, where investments in certificates of deposit or share certificates are in accordance with the Act and meets the following
criteria:

6-5.1. Certificate of deposit issued by depository institutions that have their main office or a branch office in the state of Texas that are:

6-5.1.1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor;

6-5.1.2. secured by obligations that are described by sections 6-1 through 6-4 above that have a market value of not less than the principal amount and accrued interest of the certificates.

6-5.1.3. secured in any other manner and amount provided by law for deposits of SAWS.

6-5.2. In addition to the authority to invest funds in certificates of deposit as stated above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment if:

6-5.2.1. the funds are invested by SAWS through a depository institution or an approved broker-dealer firm (as required under section 13-4) that (a) has its main office or a branch office in the State of Texas; (b) authorized to offer services through Certificates of Deposit Account Registry Service, “CDARS”; and (c) is selected by SAWS;

6-5.2.2. the depository institution or the broker-dealer firm selected by SAWS arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located including out of state. Each of the certificates of deposit will be issued for the account of SAWS as the beneficial owner of the certificate of deposit;

6-5.2.3. the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; in effect the Federal Deposit Insurance Corporation (FDIC). Each certificate of deposit will be issued in an amount within the FDIC insurance coverage limit. The total amount of SAWS’ investment will be allocated among a number of financial institutions. SAWS’ investment will thus be fully protected against the failure of any of the institutions issuing the certificates of deposit;

6-5.2.4. the depository institution selected by SAWS or a broker-dealer firm registered with the Securities and Exchange Commission and selected by SAWS shall act as custodian for SAWS with respect to the certificates of deposit issued for the account of SAWS with respect to the certificates of deposit. Under this provision, when the certificates of deposit issued by other institutions to SAWS mature, the payment of the principal and accrued interest will be made by those institutions through the selected depository institution in the state of Texas; and
6-5.2.5. the amount of funds that may be invested by SAWS in certificates of deposit, with any one depository institution or broker-dealer firm that meets the requirements set out above, may not exceed $10,000,000.

6-6. Commercial paper with a stated maturity of 270 days or less from its issuance that either:

6-6.1. is rated at least "A-1", or "P-1" or the equivalent by at least two nationally recognized credit rating agencies; or

6-6.2. is rated at least "A-1", "P-1" or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States of America.

6-7. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:

6-7.1. has a defined termination date;

6-7.2. is secured by a combination of cash and obligations, including letters of credit, of the United States or its agencies and instrumentalities;

6-7.3. requires the securities being purchased by SAWS or cash held by SAWS to be pledged to SAWS, held in SAWS name, and deposited at the time the investment is made with SAWS or with a third party selected and approved by SAWS; and

6-7.4. is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

A repurchase agreement is a simultaneous agreement to buy, hold for a specific time, and sell back at a future date, obligations, including letters of credit, of the United States or its agencies and instrumentalities, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. A repurchase agreement includes a direct security repurchase agreement and a reverse security repurchase agreement.

Reverse repurchase agreements must not have a term to exceed 90 days. Money received under the terms of a reverse repurchase agreement may not be used to purchase any investment whose final maturity date exceeds the expiration date of the reverse.

6-8. SEC-regulated and registered, no load money market mutual fund with a dollar-weighted average stated maturity of 90 days or fewer, which includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

6-9. No-load mutual funds with a weighted average maturity of up to two years are allowable as long as they are registered with the Securities and Exchange Commission. They must be invested exclusively in obligations authorized by the Act, and are continuously rated by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. Investments in this type of mutual fund may be no more than 15 percent of
the total operating funds (excluding bond proceeds, reserves and debt service funds).

6-10. Banker's Acceptance with a stated maturity of 270 days or less from its issuance that either:

6-10.1. will be, in accordance with its terms, liquidated in full at maturity; or

6-10.2. is eligible for collateral for borrowing from a Federal Reserve Bank; and

6-10.3. is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

6-11. Investment Pools, such as:

- TexPool
- TexPool Prime
- LOGIC
- TexStar
- Texas Class

where SAWS may invest its funds and funds under its control, through an eligible investment pool if the governing body of SAWS by resolution, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from SAWS in authorized investments as stated herein. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with the investment policies and objectives adopted by the investment pool. The investment pool shall invest funds it receives from SAWS in authorized investments as permitted by the Act and meets the following criteria:

6-11.1. An investment pool must furnish SAWS an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

6-11.1.1. the types of investments in which money is allowed to be invested;

6-11.1.2. the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;

6-11.1.3. the maximum stated maturity date any investment security within the portfolio has;

6-11.1.4. the objectives of the pool;

6-11.1.5. the size of the pool;

6-11.1.6. the names of the members of the advisory board of the pool and the dates their terms expire;

6-11.1.7. the custodian bank that will safekeep the pool's assets;

6-11.1.8. whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
6-11.9. whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;

6-11.10. the name and address of the independent auditor of the pool;

6-11.11. the requirements to be satisfied for SAWS to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for SAWS to invest funds in and withdraw funds from the pool; and

6-11.12. the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

6-11.2. An investment pool must maintain its eligibility with SAWS by furnishing the following to SAWS:

6-11.2.1. investment transaction confirmations; and

6-11.2.2. a monthly report that contains, at a minimum, the following information:

6-11.2.2.1. the types and percentage breakdown of securities in which the pool is invested;

6-11.2.2.2. the current average dollar-weighted maturity, based on the stated maturity date, of the pool;

6-11.2.2.3. the current percentage of the pool’s portfolio in investments that have stated maturities of more than one year;

6-11.2.2.4. the book value versus the market value of the pool’s portfolio, using amortized cost valuation;

6-11.2.2.5. the size of the pool;

6-11.2.2.6. the number of participants in the pool;

6-11.2.2.7. the custodian bank that is safekeeping the assets of the pool;

6-11.2.2.8. a listing of daily transaction activity of SAWS;

6-11.2.2.9. the yield and expense ratio of the pool, including a statement regarding how yield is calculated;

6-11.2.2.10. the portfolio managers of the pool; and

6-11.2.2.11. any changes or addenda to the offering circular.

6-11.3. SAWS by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its funds.

6-11.4. An investment pool shall calculate "Yield" in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.
6-11.5. A public funds investment pool created to function, as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a $1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

6-11.6. A public funds investment pool must have an advisory board composed:

6-11.6.1. equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool; or

6-11.6.2. of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

6-11.7. An investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

6-11.8. If the investment pool operates an Internet website it must provide all information required in the offering circular, transaction confirmations and monthly statements, mark to market data and net asset value on the website.

6-11.9. To maintain eligibility to receive funds from and invest funds on behalf of SAWS, an investment pool must make available to SAWS an annual audited financial statement of the investment pool in which SAWS has funds invested.

6-11.10. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

6-12. Securities Lending Program, where the program must meet the Act requirements and the following criteria:

6-12.1. the value of the securities loaned under the program must be not less than 102 percent collateralized, including accrued income;

6-12.2. a loan made under the program must allow for termination at any time;

6-12.3. a loan made under the program must be secured by:

6-12.4. pledged securities authorized by the Act, Section 2256.009;

6-12.5. pledged irrevocable letters of credit issued by a bank that is:
6-12.6. organized and existing under the laws of the United States or any other state; and

6-12.7. continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent;

6-12.8. cash invested in accordance with the Act;

6-12.9. the terms of a loan made under the program must require that the securities being held as collateral be:

6-12.9.1. pledged to SAWS;

6-12.9.2. held in SAWS’s name; and

6-12.9.3. deposited at the time the investment is made with SAWS or with a third party selected by or approved by SAWS;

6-12.10. a loan made under the program must be placed through:

6-12.10.1. a primary government securities dealer as defined by 5 C.F.R. Section 6801-102(f), as that regulation existed on September 1, 2003; or

6-12.10.2. a financial institution doing business in the state of Texas; and

6-12.11. an agreement to lend securities is executed under this section and has a term of one year or less.

6-13. Guaranteed Investment Contract, where the guaranteed investment contract meets the Act requirements and the following criteria:

6-13.1. A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

6-13.1.1. has a defined termination date;

6-13.1.2. is secured by obligations described by Section 2256.009(a)(1) of the Act, excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and

6-13.1.3. is pledged to SAWS and deposited with SAWS or with a third party selected and approved by SAWS.

6-13.2. Bond Proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.
6-13.3. To be eligible as an authorized investment:

6-13.3.1. the governing body of SAWS must specifically authorize guaranteed investment contracts as an eligible investment in the resolution authorizing the issuance of bonds;

6-13.3.2. SAWS must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;

6-13.3.3. SAWS must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;

6-13.3.4. the price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and

6-13.3.5. the provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

6-14. Overnight investment sweep products that invest in securities stated in Section 6-0, items 6-1 through 6-4.

6-15. An Investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. SAWS shall take all prudent measures that are consistent with this policy to liquidate an investment that does not have the minimum rating.

7-0. MATURITY OF INVESTMENTS

Investments shall have maturities no longer than the date the funds can reasonably be expected to be needed for the purpose for which they are being held. Investments of the Reserve Fund shall be invested to mature no later than the final maturity date of the senior lien or junior lien obligations.

8-0. SECURITY OF INVESTED FUNDS

Investments in Time Deposit Accounts, Certificates of Deposit, and Repurchase Agreements shall be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations described in Section 6-0, items 6-1 through 6-4.

8-1. All such collateral must be fully documented, approved by an authorized SAWS representative and held at an authorized third party institution. An authorized System representative shall mean person(s) designated by the Board of Trustees by execution of a formal written authorizing document. With respect to certificates of deposit in which SAWS has invested pursuant to the provisions listed above for CDARS, the
depository institution selected by SAWS is an approved third party institution.

8-2. The market value of collateral shall at all times equal or exceed the principal amount plus accrued interest on all Time Deposit Accounts or Certificates of Deposit in excess of FDIC coverage. Market value shall mean the bid or closing price as quoted in the most recent "The Wall Street Journal" or as quoted by another recognized pricing service.

8-3. Collateral shall either be delivered to SAWS or held in joint safekeeping at the Federal Reserve Bank or at another bank not affiliated with the depositing bank for the account and in favor of the San Antonio Water System Board of Trustees.

8-4. Substitutions and decreases in the amount or types of securities pledged as collateral or any other transaction that may decrease the value of the pledge shall have the written approval of the SVP-Chief Financial Officer, or in the event the SVP-Chief Financial Officer is not available within a reasonable time under the circumstances, either one of the following: President/Chief Executive Officer, SVP-Chief Operating Officer, VP-General Counsel, and the VP-Human Resources prior to their execution.

8-5. The type and market value of collateral shall be monitored weekly.

8-6. Collateral shall not be required with respect to purchase and investment in direct obligations of the United States of America and its instrumentalities.

9-0. INVESTMENT TRANSACTIONS

Investment transactions stated in 6-1 through 6-4, are executed through approved Broker/Dealer Firms only, with securities delivered to the designated custodian bank. Investment transactions are settled on a delivery versus payment basis with the exception of mutual funds, certificates of deposit, or investment pool investments. Settlement of trades may be done on a same day or subsequent day basis as the Investment Officers deem most appropriate and advantageous to SAWS.

10-0. LIMITS

There is no limit on the amount that may be invested in U.S. Treasury securities, government-guaranteed securities, or government-sponsored entity securities, with the exception of a maximum of 50% of the total investment portfolio in any one government-sponsored entity issuer. Furthermore, any other investment in non-government issues is limited to 30% of the total investment portfolio unless it is fully collateralized by securities stated in Section 6-0, items 6-1 through 6-4.

11-0. INVESTMENT STRATEGIES

In order to enhance return and fulfill all of the objectives of the Board, the portfolio may be directed toward an active versus a passive investment strategy. The risk-return relationship will be maintained and controlled through direct compliance with this policy. Risks will be minimized by adequate collateralization and delivery versus payment procedures at all times.
The maximum weighted average maturity (WAM) applicable to all SAWS funds will be no more than three (3) years. Investment strategies such as swaps and trading may be considered in order to provide incremental income. However, no strategies which will result in an accounting loss will be transacted without the approval of the SVP-Chief Financial Officer.

11-1. The following are SAWS's investment strategies for each SAWS fund:

11-1.1. System and Operating Funds - Investments should be structured to meet the various operating expenses of SAWS and other costs associated with daily operations. Funds should be invested in instruments that are considered to be safe and short-term in nature with maturities generally no greater than one year. Additionally, these instruments should consist of a diversified group of approved investments that are intended to maximize yield. Instruments should be marketable if the need arises to liquidate them prior to maturity.

11-1.2. Debt Service Funds - Investments should be structured to mature in conjunction with SAWS debt service requirements, and to ensure compliance with any pertinent covenants and legal requirements contained in related bond ordinances. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. All investments must be marketable should the need arise to liquidate them prior to maturity. Due to definitive debt service schedules, the nature of these funds allows for precise forecasting of required cash flows.

11-1.3. Reserve Funds - Investments should be structured to pay the principal and interest on any senior lien and/or junior lien bonds if the amounts in the Debt Service Fund are insufficient for such purpose, and may be used for retiring the last of any outstanding senior lien and/or junior lien bonds. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. All investments must be marketable should the need arise to liquidate them prior to maturity. The maturity of these investments should be based on a structure to mature up to five years.

11-1.4. Project and Construction Funds - Investments should be structured to meet SAWS's construction obligations. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. Investments must be marketable should the need arise to liquidate them before maturity. The maturity of these investments should be based on projections and information related to construction expenditures, with maturity terms coordinated with and timed to meet the construction draw schedule requirements.

11-1.5. Renewal & Replacement Funds - Investments should be structured to meet the various capital expenditures of SAWS, along with any unexpected or extraordinary expenses that occur where operating funds are not available. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. All investments must be marketable should the need arise to liquidate them. The maturity of these investments should be based on a laddered structure to mature up to two years.
11-1.6. The stated investment strategies must be in accordance with the objectives stated in section 2-0.

12-0. **WRITTEN CONTRACTS**

Written contracts are required for Time Deposit Accounts, Certificates of Deposit, custodial undertakings, and the initial setup of investment pools and FICA. With respect to the purchase of direct federal or state obligations of the United States of America and its instrumentalities the interest of SAWS will be adequately protected by conditioning payment on the physical delivery of the purchased securities to SAWS or custodial bank, or in the case of book-entry transactions on the crediting of purchased securities to the custodial bank’s Federal Reserve System account held in favor of SAWS. All purchases will be confirmed in writing to SAWS.

13-0. **DESIGNATION OF CUSTODIAL BANK**

The custodial bank shall be the bank then currently serving SAWS as its general depository bank, or another approved financial institution.

14-0. **QUALIFICATIONS OF INVESTMENT PROVIDER**

For purposes of this Investment Policy, investment providers are defined as a banking corporation, association, individual bank, investment banker, investment advisor, primary registered securities dealer or a regional brokerage firm which underwrites U. S. Government Agency Issues. To qualify as an investment provider a bank must not be in receivership and/or be under the management and control of any Federal or State banking agency. Concentration of investments in only one financial institution should be avoided if at all possible. Securities dealers must be in good standing with the regulatory agencies.

14-1. When direct obligations of the United States of America or the State of Texas are purchased, the seller shall be required to deliver the securities to SAWS or to the custodial bank versus payment.

14-2. There should always be at least three competitive offers or bids from three different Investment Providers for all individual security purchases and sales, excluding transactions with money market mutual funds and investment pools, FICA, or banks under contract as approved by the Board.

14-3. All investment providers will provide a written acknowledgement of receipt and thorough review of SAWS’s Investment Policy and will attest to having implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising from investment transactions as required by the Act.

14-4. SAWS will create an internal investment committee that shall, at least annually, review, revise, and adopt a list of qualified brokers/dealers with whom it may do business.

15-0. **INVESTMENT MANAGEMENT FIRMS**
SAWS may contract with an investment management firm or firms for the management of its funds. The firm must be registered under the Investment Advisers Act of 1940 (the “1940 Act”) or, if the firm is not subject to the 1940 Act, it must be registered with the State Securities Board. An investment management contract may be for a term of up to two years with any renewal or extension approved by the Board. A written copy of SAWS’ investment policy must be given to the investment management firm. An officer or principal of the investment management firm will serve as a qualified representative who will provide SAWS with a written instrument acknowledging receipt and compliance with the investment policy as required by the Act.

16-0. OPERATIONS AND REPORTING

The purchase and sale of securities shall be done through a competitive bid process. Certificates of Deposit may be purchased from the general depository bank. Contracts for purchase of Certificates of Deposit from banks other than the general depository banks shall be established. Deposits into FICA, Investment Pools, and Money Market Mutual Funds will be made at the discretion of the Investment Officers.

16-1. The SVP-Chief Financial Officer, the Treasurer, and the Manager - Treasury, are authorized to approve and award the purchase of securities and Certificates of Deposit to the best qualified bid.

16-2. The SVP-Chief Financial Officer is authorized to execute contracts for Certificates of Deposit.

16-3. The following procedures will be used to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provision in section 6-18.

16-3.1. SAWS will monitor market activity on a continuous basis via financial news made available over e-mail and the internet, as well as live news reports and online systems.

16-3.2. Broker/Dealers will also be utilized to provide market information and financial news updates.

16-3.3. Financial periodicals will be pursued as an additional information vehicle to broaden financial and market awareness and knowledge.

16-4. One of the following method(s) will be used to monitor the market price of acquired investments:

16-4.1. SAWS may contract with a service provider to furnish online real-time market posting of securities as needed.

16-4.2. At month end, a list of outstanding investments owned by SAWS will be sent to either one of the following entities:

16-4.2.1. SAWS’ general depository bank;
16-4.2.2. one of SAWS’ approved Broker/Dealer firms;

16-4.2.3. any entity contracted by SAWS to provide this service.

16-4.3. The selected entity will provide the market price of each security as of month end on the outstanding list and return it to SAWS.

16-4.4. SAWS will then use the month end outstanding list to compute the market value of each security and prepare a monthly report displaying all investment activity and balances for all securities and funds.

16-5. Not Less than quarterly, the Investment Officers shall prepare and submit to the governing body of SAWS a written report of investment transactions of all funds covered by this Policy and the Act, for the preceding reporting period. The report must:

16-5.1. describe in detail the investment position of SAWS on the date of the report;

16-5.2. be prepared and signed jointly by each Investment Officer;

16-5.3. contain a summary statement of each pooled fund group that states the beginning market value for the reporting period, ending market value for the period, and fully accrued interest for the reporting period;

16-5.4. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

16-5.5. state the maturity date of each separately invested asset that has a maturity date;

16-5.6. state the account or fund or pooled group fund of SAWS for which each individual investment was acquired;

16-5.7. state the compliance of the investment portfolio of SAWS as it relates to the investment strategy expressed in SAWS’ Investment Policy and relevant provisions of the Act; and

16-5.8. the report shall be presented not less than quarterly to the governing body and the President/Chief Executive Officer of SAWS within a reasonable time after the end of the period.

17-0. INVESTMENT POLICY

The investment policy must be reviewed by the governing body of SAWS at least once a year. It will adopt a written instrument reviewing the policy and record the changes made to the policy.
TO: San Antonio Water System Board of Trustees

FROM: Berto Guerra, Jr., Chairman, San Antonio Water System Board of Trustees

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

SUBJECT: AUTHORIZING A LETTER OF ENGAGEMENT WITH RUBEN BARRERA OF THE LAW FIRM OF LANGLEY & BANACK, INC. TO ACT AS SPECIAL COUNSEL TO THE BOARD FOR THE 2017 CALENDAR YEAR

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the expenditure of an amount not to exceed $165,000.00 for Ruben Barrera of the law firm of Langley & Banack, Inc. to act as Special Counsel to the San Antonio Water System Board of Trustees (the “Board”) for the 2017 calendar year, and granting authority to the Board Chairman to negotiate and execute a letter of engagement for the retention of Ruben Barrera’s legal services for the 2017 calendar year.

- Mr. Barrera has previous experience acting in this capacity as Special Counsel to the Board.
- The Board has been satisfied with the quality of the legal services it has been receiving from Mr. Barrera and wishes to continue a letter of engagement for services.
- It is necessary to authorize the expenditure of an amount not to exceed $165,000.00 to the law firm of Langley & Banack, Inc., for the retention of Mr. Barrera’s legal services for the 2017 calendar year.
- The Chairman of the Board will negotiate and execute a letter of engagement for the retention of Ruben Barrera’s legal services for the 2017 calendar year.
- The substantial form of the engagement letter is attached to the Resolution as Attachment I.

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

Funds for these services were included in the 2017 Annual Operating Budget and will be financed with revenues from the System Fund (Company: 1000, Accounting Unit: 5000300, Account: 511320, Total value of this action is $165,000.00).

_________________________________
Berto Guerra, Jr., Chairman
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF AN AMOUNT NOT TO EXCEED $165,000.00 FROM THE SYSTEM FUND FOR RUBEN BARRERA OF THE LAW FIRM OF LANGLEY & BANACK, INC. TO ACT AS SPECIAL COUNSEL TO THE BOARD FOR THE 2017 CALENDAR YEAR AND GRANTING AUTHORITY TO THE BOARD CHAIRMAN TO EXECUTE A LETTER OF ENGAGEMENT FOR THE RETENTION OF RUBEN BARRERA’S LEGAL SERVICES FOR THE 2017 CALENDAR YEAR; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Ruben Barrera has acted in the capacity as Special Counsel to the San Antonio Water System Board of Trustees (the “Board”) for several years; and

WHEREAS, the Board has been satisfied with the quality of the legal services it has been receiving from Mr. Barrera and wishes to continue a letter of engagement for services; and

WHEREAS, it is necessary to authorize the expenditure of an amount not to exceed $165,000.00 to the law firm of Langley & Banack, Inc. for the retention of Mr. Barrera’s legal services for the 2017 calendar year; and

WHEREAS, the Chairman of the Board will execute a letter of engagement for the retention of Mr. Barrera’s legal services for the 2017 calendar year; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of an amount not to exceed $165,000.00 from the System Fund for Ruben Barrera of the law firm of Langley & Banack, Inc., to act as Special Counsel to the Board for the 2017 calendar year, and (ii) to grant authority to the Board Chairman to execute a letter of engagement for the retention of Ruben Barrera’s legal services for the 2017 calendar year; now, therefore:

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

1. That the expenditure of an amount not to exceed $165,000.00 from the System Fund for Ruben Barrera of the law firm of Langley & Banack, Inc. to act as Special Counsel to the Board for the 2017 calendar year is hereby approved.
2. That authority is hereby granted to the Board Chairman to execute a letter of engagement in substantially the form set forth in Attachment I hereto for the retention of Ruben Barrera’s legal services for the 2017 calendar year.

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 become effective immediately upon its passage.

   PASSED AND APPROVED this 14th day of December, 2016.

__________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________________
Ernesto Arrellano, Jr., Secretary

Attachment I – Engagement Letter
December 14, 2016

Mr. Berto Guerra, Jr., Chairman
San Antonio Water System Board of Trustees
2800 U.S. Hwy 281 North
San Antonio, Texas 78212

Re: Legal Representation of San Antonio Water System Board of Trustees

Dear Mr. Guerra:

We appreciate being given the opportunity to represent the San Antonio Water System Board of Trustees ("SAWS Board") in connection with its legal matters (the "Engagement"). We believe the SAWS Board will find it helpful for us to set forth the role and responsibilities of both our law firm and the SAWS Board and that is the purpose of this letter.

1) SCOPE OF ENGAGEMENT

As Counsel for the SAWS Board, we will provide the legal services requested in connection with the Engagement and more specifically described in Exhibit "A" attached to and made a part of this letter. The "basic legal services" to be provided are outlined in Section I of Exhibit "A" while "additional legal services" that may be provided are outlined in Section II of Exhibit "A."

The scope of basic legal services outlined in Section I of Exhibit "A" will be provided based on billing the actual time spent at the hourly rates specified in Section I of Exhibit "A", up to the retainer cap amount specified in Section I of Exhibit "A."

The additional legal services outlined in Section II of Exhibit "A" will be provided based on billing the actual time spent at the hourly rates specified in Section II of Exhibit "A." Additional legal services must be pre-approved by the Chairman of the Board.

All Firm statements for legal services whether for basic or additional legal services provided shall be submitted to the Board for payment. Invoices shall be submitted by the 20th day of each month for the services provided in the preceding month.

This letter of engagement shall be effective for services provided and expenses incurred as of January 1, 2017.

2) WORK ASSIGNMENTS

I will be your primary contact for all aspects of the firm's representation of the SAWS Board with respect to the Engagement. From time to time, parts of the SAWS Board's work may be assigned to other lawyers or other personnel within the firm when deemed necessary, and other firm lawyers may be used where specialized help is needed and subject to the approval of the Chairman of the Board. It is our practice to assign tasks among lawyers, legal assistants, law clerks, document clerks and other staff in such a way as to produce quality work at a reasonable
expense to the SAWS Board. However, I will be responsible to the SAWS Board for the entire assignment.

3) FEES

Our fees are based on the time spent by the lawyers and legal assistants who work on the matter. We will charge (in accordance with the provisions of paragraph 1 of this letter) for the time spent in representing the SAWS Board's interests, including, by way of illustration, attendance at meetings, telephone and office conferences with SAWS Board members and other representatives, SAWS employees, consultants (if any), and opposing counsel; drafting letters, pleadings, agreements and other necessary documents; factual investigation or due diligence; legal research; and responding to the SAWS Board's requests for us to provide information to the SAWS Board's auditors in connection with reviews or audits of financial statements. Any meetings, telephone or office conferences related to work for additional services with SAWS staff other than the President/CEO or the Vice-President and General Counsel require the approval of the Chairman or SAWS President/CEO and SAWS Vice-President and General Counsel.

Billing rates for our attorneys vary according to the experience of the individuals. My current billing rate is $275.00 per hour. In an effort to reduce overall legal costs we utilize legal assistants whenever appropriate. Time devoted by legal assistants to client matters is currently charged at billing rates generally ranging from $75.00 to $130.00 per hour. Any additional personnel assigned to SAWS Board matters must be pre-approved by the Chairman and the billing rates must be limited to the range reflected in this paragraph.

4) BILLING

We will submit statements to the SAWS Board on a monthly basis for our unpaid fees and expenses. The statements will have detailed itemization of tasks performed. Each task will be billed separately stating the subject matter and the time spent on each task and SAWS Board member or employee involved, if any. A series of tasks will not be grouped together and billed as one total. If determined to be necessary, prior to approval of the firm’s invoice, Board Counsel and the Vice President and General Counsel will meet and review the monthly invoice.

The SAWS Board agrees to pay these statements within thirty days after receipt; however, if any statements, or parts thereof, are questioned or disputed by the SAWS Board, then a reasonable amount of time will be allowed to resolve that particular statement or itemization. The SAWS Board is encouraged to review our statements and discuss any questions with me it may have concerning the level of activities and the nature of services rendered. One of the reasons we submit statements to the SAWS Board on a monthly basis is so that the SAWS Board will have a ready means of monitoring and controlling the expenses it is incurring. If the SAWS Board believes the expenses are mounting too rapidly, the SAWS Board should contact us immediately so that we can assist the SAWS Board in evaluating future alternatives.
SAWS shall not pay for the following:

1. Additional legal services that have not been authorized by the SAWS Chairman of the Board of Trustees.

2. Conferences involving attorneys, paralegals, and other personnel from the firm which involve routine administrative, coordinating and/or assignment-related matters.

3. Time spent communicating matters of a non-substantive nature, such as communicating or leaving messages or voice mail to “return call” or “ask someone to call me,” or accepting appointments or responding to routine, non-legal correspondence.

4. Time spent, upon reassignment of a matter to another attorney, in familiarizing that attorney with the file, unless the SAWS Board Chairman has requested or approved the reassignment.

5. General overhead items, such as the fixed costs associated with computers, fax machines and other equipment, publications, continuing legal education, word processing charges, secretarial services, librarian services, printer tending, services by messengers employed by the firm, and faxes.

6. Charges for normal overhead and expenses, such as charges for incoming and outgoing faxes, computerized research, telephone calls, conference calls, photocopying expenses, and postage except that the SAWS Board will pay for extraordinary costs in this regard at the discretion of the SAWS Board Chairman.


8. Time charges for preparation of bills.

9. Photocopying costs in excess of ten cents (10¢) per page.

10. Travel other than coach class.

5) **OUT-OF-TOWN TRAVEL**

Travel shall be on System business only when necessary and authorized by the Chairman. Travel time shall be billed at one-half (1/2) the hourly rate, except that time spent working on the System’s matters while traveling may be billed at the full hourly rate.

For travel expenses, the rate shall be the same as those set for State employees by the State Legislature in the General Appropriation Act.
Travel time to and from SAWS events, meetings, conferences, etc., that take place in Bexar County will not be charged, unless it is pre-approved by the Chairman. Time spent during any meals prior to, during or after an event, meeting or conference shall not be charged.

6) **COOPERATION**

In order to enable us to render effective legal services, the SAWS Board agrees to advise us of all facts and to keep us informed of all developments relating to any legal matter. We necessarily must rely on the accuracy and completeness of the facts and information the SAWS Board and its representatives, employees, and consultants, if any, provide to us. To the extent it is necessary for the SAWS Board members and representatives as well as SAWS employees, and consultants, if any, to attend meetings in connection with any legal matter, we will attempt to schedule them so that the convenience of the SAWS Board members and representatives, SAWS employees and consultants, if any, can be served.

7) **CONFLICTS OF INTEREST**

Conflict of interest is a concern for lawyers and their clients. Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, the SAWS Board and the Firm agree that Rule 1.05 (Confidentiality) and 1.06 (Conflicts of Interest) of the Texas Disciplinary Rules of Professional Conduct will be applicable to the representation and will be the basis by which conflicts of interest will be resolved.

8) **WITHDRAWAL OR TERMINATION**

Our relationship may be terminated by either of us at any time by written notice to the other party. The SAWS Board shall pay the Firm for those services rendered on or before the date of termination.

9) **CLIENT DOCUMENTS**

We will maintain any documents SAWS and the SAWS Board furnishes us in our client files for this matter. At the conclusion of the Engagement (or earlier, if appropriate), we will return any documents in our files that you request be returned to you. We will retain any remaining documents in our files for a limited period before ultimately destroying them in accordance with our record retention policy then in effect. The Firm will retain SAWS records in accordance with any retention laws or rules related to a municipally-owned water and sewer utility service provider.
10) **CLOSING**

If the foregoing correctly reflects the SAWS Board's understanding of the terms and conditions of our representation, please execute this engagement letter in the space provided below and return it to the undersigned.

Please contact me if the SAWS Board has any questions. We are pleased to have this opportunity to be of service and to work with the SAWS Board, and we look forward to a materially beneficial relationship in the future.

Very truly yours,

Langley & Banack, Inc.

Ruben R. Barrera

---

Berto Guerra, Jr., Chairman
Chairman, Board of Trustees
San Antonio Water System
LANGLEY & BANACK, INC.
(SCOPE OF SERVICES)

Scope of Services of Counsel to the San Antonio Water System Board of Trustees

1. Advise Board on legal matters relating to Board's oversight of the System;

2. Review, revise and comment on contracts and agreements between the Board/System and other parties prior to consideration by Board;

3. Perform research and draft memoranda and opinions on legal matters relating to Board's oversight of the System;

4. Attend regular and special Board and other meetings;

5. Advise Board Members regarding ethics and conflicts of interest issues;

6. Advise Board on parliamentary procedure, Open Meetings and Public Information Acts, Indenture Ordinance, City Charter, and other applicable local ordinances and federal/state statutes, codes and regulations; and

7. Advise Board Members on their status, rights, duties, obligations and limitations as public officers.

Section I

The Firm will provide and bill for the basic legal services outlined below as follows:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Jan-Dec</th>
<th>Total Meetings</th>
<th>Total Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Regular Board Meeting Preparation including Review and/or proposed additional revision of agenda materials (includes memos and resolutions addressing certain issues) and related telephone conferences.</td>
<td>1/ Month 4 hours/meeting</td>
<td>12</td>
<td>48</td>
<td>$275</td>
<td>$13,200</td>
</tr>
<tr>
<td>B. Regular Board Meeting Attendance</td>
<td>1/ Month 5 hours/meeting</td>
<td>12</td>
<td>60</td>
<td>$275</td>
<td>$16,500</td>
</tr>
<tr>
<td>Service</td>
<td>Jan-Dec</td>
<td>Total Meetings</td>
<td>Total Hours</td>
<td>Hourly Rate</td>
<td>Cost</td>
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</tr>
<tr>
<td>C. Policy Meeting Preparation, if and when the Policy meeting resumes.</td>
<td>1/Month 2 hour/</td>
<td>12</td>
<td>24</td>
<td>$275</td>
<td>$6,600</td>
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<tr>
<td></td>
<td>meeting</td>
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<tr>
<td>D. Policy Meeting Attendance, if and when the Policy meeting resumes.</td>
<td>1/Month 4 hours/</td>
<td>12</td>
<td>48</td>
<td>$275</td>
<td>$13,200</td>
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<td></td>
<td>meeting</td>
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<tr>
<td>Cap for 12-Month Retainer</td>
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<tr>
<td>The monthly retainer cap for one regular Board meeting per month is</td>
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<td>$2,475.00; therefore, we will not bill the SAWS Board more than this</td>
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<td>amount monthly for retainer.</td>
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<tr>
<td>If the Board resumes a monthly Policy meeting, the monthly retainer</td>
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<tr>
<td>cap for one regular Board meeting and one Policy meeting per month</td>
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<td>will be $4,125.00; therefore, we will not bill the SAWS Board more</td>
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<td>than this amount monthly for retainer for a Board meeting and a Policy</td>
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<td>meeting.</td>
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</table>
## Section II

The Firm will provide and bill for additional services outlined below as follows*

<table>
<thead>
<tr>
<th>Service</th>
<th>Jan-Dec</th>
<th>Total Meetings</th>
<th>Total Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Telephone conferences with Trustees as pre-approved by the Chairman.</strong></td>
<td>**</td>
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</tr>
<tr>
<td><strong>B. Prepare, review, revise and comment on contracts/agreements and related documents between the Board/System and other parties prior to consideration by Board as pre-approved by the Chairman.</strong></td>
<td>**</td>
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<tr>
<td><strong>C. Conduct legal research and render oral and written opinions on legal matters affecting the Board and the System as pre-approved by the Chairman.</strong></td>
<td>**</td>
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<tr>
<td><strong>D. Attendance at Other Meetings as pre-approved by the Chairman.</strong></td>
<td>**</td>
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</tr>
<tr>
<td>1. Special/Emergency Meetings.</td>
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</tr>
<tr>
<td>2. Additional Workshop Meetings.</td>
<td>**</td>
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</tr>
<tr>
<td>3. Joint Meetings with other agencies.</td>
<td>**</td>
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<tr>
<td>4. Committee Meetings.</td>
<td>**</td>
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<tr>
<td>5. City Council Meetings.</td>
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<tr>
<td>6. Individual Trustee/Staff Meetings.</td>
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<tr>
<td>7. Additional monthly Board meetings.</td>
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<tr>
<td>Service</td>
<td>Jan-Dec</td>
<td>Total Meetings</td>
<td>Total Hours</td>
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<tr>
<td>8. Attendance at regular Board and Policy and Planning Meetings that go beyond time allocated in retainer.</td>
<td>**</td>
<td>**</td>
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<tr>
<td>E. Preparation for Other Meetings as pre-approved by the Chairman.</td>
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<tr>
<td>F. Preparation of memorandums, resolutions and other documents necessary for other meetings as pre-approved by the Chairman.</td>
<td>**</td>
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<tr>
<td>G. Preparation of annual audit letter for Firm.</td>
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</tr>
<tr>
<td>H. Any other legal work including, but not limited to, policy input and recommendations, drafting of policies and regulations, as well as labor and employment work requested by the Board and the System. In the event Counsel is requested to look into a matter being handled by outside counsel specifically hired for that purpose, Counsel will examine the work of outside counsel in so far as it relates to the Board and its individual members – (potential for conflict of interest, ultra vires act of the Board and or its members, etc.). All work must be pre-approved by the Chairman.</td>
<td>**</td>
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<tr>
<td>Service</td>
<td>Jan-Dec</td>
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<tr>
<td>I. Legal Work related to and in support of the Vista Ridge Regional</td>
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<tr>
<td>Water Supply Project, including preparation of legal opinions,</td>
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<td>memorandum of law and other transactional matters.</td>
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</tbody>
</table>

** The total 12-month budget for retainer and additional services is $165,000.00. Any services that may be required above this amount must be approved by the Board.

*** Ruben Barrera (primary lawyer) will bill for additional services at $275.00 per hour. From time to time, parts of the SAWS Board's work may be assigned with the Chairman’s approval to other lawyers or other personnel within the firm when deemed necessary, and other firm lawyers may be used when specialized help is needed. It is our practice to assign tasks among lawyers, legal assistants, law clerks, document clerks and other staff in such a way as to produce quality work at a reasonable expense to the SAWS Board. Hourly rates for such additional lawyers and personnel shall be approved in advance by the Vice-President and General Counsel.
AGENDA ITEM NO. ___30___

TO: San Antonio Water System Board of Trustees

FROM: Mary Bailey, Vice President, Business Planning/Controller, and Douglas Evanson, Sr. Vice President/Chief Financial Officer

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

SUBJECT: APPROVING THE OPERATING BUDGET FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017, APPROVING ADJUSTMENTS TO ALL WATER DELIVERY, WATER SUPPLY FEE, WASTEWATER, RECYCLED WATER RATES, AND CERTAIN SPECIAL SERVICES FEES NECESSARY TO SUPPORT THE APPROVED 2017 OPERATING BUDGET, FINDING THAT ALL REQUIRED CONDITIONS FOR FULL INTEGRATION OF THE DISTRICT SPECIAL PROJECT WITH SAWS HAVE BEEN MET, AND REPEALING THE DISTRICT SPECIAL PROJECT RATES AS OF JANUARY 1, 2017

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

In accordance with the San Antonio Water System’s founding City Ordinance No. 75686 (Ordinance), the Board shall prepare an annual budget to serve as a tool in controlling and administering the management and operation of the San Antonio Water System (SAWS). The annual budget shall reflect an estimate of Gross Revenues and an estimate of the disposition of those revenues in accordance with the flow of funds requirements set forth in that Ordinance. Immediately following the approval of the annual budget by the Board, the budget shall be submitted to City Council for review and consultation.

The attached Resolution approves the SAWS Operating Budget for the Fiscal Year Ending December 31, 2017 (2017 Operating Budget), approves adjustments to all water delivery, water supply fee, wastewater, and recycled water rates necessary to support the 2017 Operating Budget, approves inflationary increases for certain Special Services fees as authorized by the City Code, finds that all required conditions for full integration of the District Special Project (DSP) have been met, and repeals the rates established for the DSP as of January 1, 2017 thereby applying all SAWS rates and fees to all former DSP customers. Upon approval of the resolution, the 2017 Operating Budget shall be submitted to City Council for review and consultation.

2017 Operating Budget

The 2017 Operating Budget, as set forth in Attachment I, balances revenue requirements for the fiscal year ending December 31, 2017 with available revenues and other funding sources.
Sources of Funds

Total Sources of Funds are estimated to be $720.7 million, which is $42.9 million or 6.3% higher than the 2016 Sources of Funds and is comprised of:

- Operating revenues totaling $651.7 million
- Non-Operating revenues totaling $8.0 million
- Equity transfer of $4.9 million
- Capital recovery fees of $56.1 million

Operating revenues include $38.7 million of additional revenues associated with adjustments to rates of 8.6% for Water Delivery rates, 6.8% for Water Supply Fee rates, 7.9% for Recycled Water rates, and 5.6% for Wastewater rates. Such rate adjustments result in a combined average increase of 6.8% to the bill for the average SAWS residential customer, assuming water usage of 7,092 gallons and wastewater usage of 5,668 gallons per month.

Water related operating revenues assume billed water usage of 65.1 billion gallons, 2% more than the 63.8 billion gallons budgeted for 2016, and customer growth of 1.4%. Wastewater related operating revenues assume customer growth of 1.6%.

Uses of Funds

Funds generated through fees, rates, and other charges are used to support the operation of SAWS, make all required annual debt service payments on existing and proposed outstanding debt, and provide sufficient additional funds to support SAWS desired financial metrics. Any additional funds generated during the year are transferred to the Renewal and Replacement (R&R) fund. R&R funds can be used for any lawful purpose but are primarily used to provide a portion of the funding needed for future capital improvement projects.

Budgeted Uses of Funds total $720.7 million and consist of:

- Operating & Maintenance expenses totaling $324.9 million
- Debt service and other debt expenses of 224.1 million
- Transfers to the City of San Antonio of $16.8 million
- Transfers to the Renewal & Replacement Fund of $155 million

2017 Capital Improvement Program

The Capital Improvement Program consists of capital improvement projects focused on sustaining, restoring, and modernizing SAWS facilities and infrastructure.
The 2017 Capital Improvement Program totals $367.5 million and includes:

- $113.6 million in Water Supply projects, of which $112 million supports infrastructure improvements necessary to integrate Vista Ridge water in 2020
- $70.6 million in Water Delivery projects, including main replacements and production facility upgrades
- $170.3 million in Wastewater projects, of which $141.5 million supports SAWS commitments under the Environmental Protection Agency Consent Decree
- $13.1 million for Owner Controlled Construction Changes that may arise related to new or existing construction contracts

Approximately 58% of the 2017 Capital Improvement Program will be funded with the issuance of new debt while the remaining 42% will be funded with existing R&R funds.

**2017 Rate Adjustments**

On November 19, 2015, the San Antonio City Council adopted Ordinance No. 2015-11-19-0956 (SAWS Rate Ordinance) that not only approved the rate adjustments required in connection with the 2016 Operating Budget but also approved a combined rate adjustment of up to 7.9% to the average residential water and wastewater bill and up to a 12.3% increase in the recycle water rates to be effective January 1, 2017. As a result of the deliberative process that resulted in the 2017 Operating Budget, the required rate adjustment was reduced by more than 1% to 6.8% in the total monthly water and wastewater charges for the average SAWS residential customer, assuming water usage of 7,092 gallons and the discharge of 5,668 gallons of wastewater per month. Additionally, the proposed 2017 adjustment for recycle water rates was reduced by 4.4% to 7.9%.

The proposed 2017 rate adjustments have been subject to a thorough review by the City’s Public Utilities Office. In a memorandum to the City Council dated November 9, 2016, the Public Utilities Office expressed agreement with SAWS’s rate adjustment request. Consequently, if approved by the Board of Trustees, the 2017 rate increases will go into effect without further City Council action. A copy of the Public Utilities Office report and recommendations on the 2017 SAWS rate adjustments is provided in Attachment II.

The 2017 proposed rates are shown in Attachment III, Schedules A, B, C, D, E, and F to the Resolution. The 2017 rate adjustments are proposed to be effective for consumption on or about January 1, 2017, and shall be applied to all billings after one complete monthly billing period on or about February 1, 2017.
Adjustments to Certain Special Services Fees

The SAWS Rate Ordinance also authorized SAWS to adjust annually the charges for certain Special Services Fees automatically by the rate of inflation. The affected fees are:

- Categorical and Non-Categorical Industrial Waste Permit Fees
- Significant and Non-Significant Industrial User Sampling Fees
- Liquid Waste Permit and related fees
- Fats, Oil and Grease (FOG) Monthly Fee
- All Laboratory Test Fees

Specifically, the City Code allows for the charges for these fees to be adjusted on January 1 of each year by the percentage difference (greater than zero) between the Consumer Price Index for All Urban Customers (CPI-U) as it stands at the end of the month of July prior to the year the change will be effective and as it stood at the end of July one year earlier. As of the end of July 2016, the CPI-U was 0.88% higher than the CPI-U as of the end of July 2015. Accordingly, the charges for the above fees may be increased by 0.88%. The specific fees impacted and their adjusted charges are shown in Attachment IV.

Full DSP Integration with SAWS and Repeal of DSP Rates

In May 2011, the Texas Legislature passed Senate Bill 341 (SB 341) calling for an election by Bexar Metropolitan Water District (BexarMet) ratepayers to vote on the dissolution of BexarMet and consolidation with SAWS. The election was held in November 2011 and the BexarMet ratepayers voted in favor of dissolution. SB341 required that BexarMet be fully integrated with SAWS by January 1, 2017.

On October 20, 2011, the City Council of the City of San Antonio, Texas adopted Ordinance No. 2011-10-20-0845 creating a “special project” where the assumed Bexar Metropolitan Water District (BexarMet) was to be known as the San Antonio Water System District Special Project (DSP). In connection with that ordinance, the City adopted the existing BexarMet water service rates for customers in the former BexarMet service areas.

On November 19, 2015, as a part of the SAWS Rate Ordinance, the San Antonio City Council also adopted Schedule G to maintain the existing rates of the former BexarMet until such time that full integration of the DSP with SAWS had been achieved. In January 14, 2016, the City Council passed Bond Ordinance No. 2016-01-14-0014 related to the dissolution of the DSP. Section 3 of the Bond Ordinance reaffirmed the SAWS Rate Ordinance and specified that the former DSP customers subject to Schedule G shall be subject to the future rate adjustments and fees applicable to all other SAWS customers. By adoption of the Bond Ordinance, the City authorized the defeasance of all outstanding DSP debt.
Effective February 25, 2016, all outstanding debt of DSP was fully defeased through the issuance of SAWS junior lien bonds and commercial paper thereby completing the consolidation of SAWS and DSP. The final integration element required by Senate Bill 341 is the establishment of rate parity among SAWS and DSP customers. This resolution accomplishes this by making a finding that all required conditions for full integration of the DSP with SAWS have been met, and by repealing the rates established for former DSP customers in Schedule G thereby applying regular SAWS rates and fees to all former DSP customers as of January 1, 2017.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The approval of the rate adjustments recommended by the resolution will generate approximately $38.7 million of additional revenues in 2017.

**SUPPLEMENTARY COMMENTS:**

Staff will submit an amendment to the 2017 Budget to the Board for approval in the event the actual amount Available for R&R – Unrestricted is projected to be less than the amount shown in the 2017 Operating Budget in Attachment I, or in the event that Debt Service and Expenses or Draw on Equity will be greater than the amount shown in the 2017 Operating Budget in Attachment I.

Mary Bailey
Vice President, Business Planning/Controller

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

Robert R. Puente
President/Chief Executive Officer
Attachments:

ATTACHMENT I:  2017 Operating Budget – Estimated Sources and Uses of Funds

ATTACHMENT II: City of San Antonio Report on Proposed Adjustments to SAWS Rates

ATTACHMENT III: Rate-Related Amendments to Chapter 34 of the San Antonio City Code

  Schedule A – Residential Class Water and Sewer Rate Schedules
  Schedule B – General Class Water and Sewer Rate Schedules
  Schedule C – Wholesale Class Water and Sewer Rate Schedules
  Schedule D – Irrigation Class Water and Sewer Rate Schedules
  Schedule E – Water Supply Fee Schedule
  Schedule F – Recycled Water Rate Schedules
  Schedule G – Water Rate Class Schedule for Former District Special Project Customers (Repealed)

ATTACHMENT IV: Special Services Fee-Related Amendments to Chapter 34 of the San Antonio City Code
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE OPERATING BUDGET FOR THE SAN ANTONIO WATER SYSTEM FOR THE YEAR ENDING DECEMBER 31, 2017 AS SET FORTH IN ATTACHMENT I; AUTHORIZING THE APPROVED 2017 OPERATING BUDGET BE SUBMITTED TO THE CITY COUNCIL FOR REVIEW AND CONSULTATION; DIRECTING THE STAFF TO SUBMIT A BUDGET AMENDMENT TO THE BOARD IN CERTAIN INSTANCES; AUTHORIZING EXPENDITURES OF FUNDS FOR OWNER CONTROLLED CONSTRUCTION CHANGES FOR THE YEAR ENDED DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED $13,065,620; APPROVING ADJUSTMENTS TO ALL WATER DELIVERY, WATER SUPPLY FEE, WASTEWATER, RECYCLED WATER RATES AND CERTAIN SPECIAL SERVICES FEES NECESSARY TO SUPPORT THE SAN ANTONIO WATER SYSTEM'S 2017 OPERATING BUDGET AS SET FORTH IN ATTACHMENT III; MAKING THE ADJUSTMENT OF ALL WATER DELIVERY, WATER SUPPLY FEE, WASTEWATER, AND RECYCLED WATER RATES EFFECTIVE FOR CONSUMPTION ON OR ABOUT JANUARY 1, 2017; MAKING A FINDING THAT ALL REQUIRED CONDITIONS FOR INTEGRATION OF THE DISTRICT SPECIAL PROJECT (DSP) WITH THE SAN ANTONIO WATER SYSTEM HAVE BEEN MET; REPEALING THE RATES ESTABLISHED FOR FORMER CUSTOMERS OF DSP AS OF JANUARY 1, 2017 THEREBY APPLYING ALL SAWS RATES AND FEES TO ALL FORMER DSP CUSTOMERS; DIRECTING STAFF TO FILE WITH THE SAN ANTONIO CITY CLERK CERTAIN AMENDMENTS TO CHAPTER 34 OF THE CITY CODE OF THE CITY OF SAN ANTONIO, RATE SCHEDULES INCORPORATED THEREIN AS SET FORTH IN ATTACHMENT III AND SPECIAL SERVICES FEES ADJUSTMENTS AS SET FORTH IN ATTACHMENT IV; AND FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Ordinance No. 75686 adopted on April 30, 1992 by the City Council of the City of San Antonio, Texas (SAWS Creation Ordinance), requires that the SAWS Board of Trustees (Board) prepare an annual budget; and
WHEREAS, SAWS Creation Ordinance requires that the San Antonio Water System Board of Trustees (the “Board”) shall determine the rates, fees and charges for services rendered and to be rendered by the System with due consideration being accorded to the terms, covenants, and conditions contained in such Ordinance; and

WHEREAS, the preparation of the annual budget, along with other policies and procedures consistent with prudent utility practice, is a management tool that is utilized in decision making and in managing the financial affairs of the San Antonio Water System (SAWS); and

WHEREAS, SAWS Creation Ordinance requires that the annual budget be submitted to the City Council for review and consultation; and

WHEREAS, the 2017 Operating Budget reflects an estimate of the Gross Revenues and disposition of those revenues for the year ended December 31, 2017 in accordance with the flow of funds as set forth in the SAWS Creation Ordinance; and

WHEREAS, the 2017 Operating Budget includes the financing plan for a Capital Improvement Program which has been prepared to serve as a plan for the implementation of capital improvements to the System; and

WHEREAS, the 2017 Capital Improvement Program includes $13,065,620 for potential construction contract changes; and

WHEREAS, the Board desires to continue to assist in maintaining the charges for water to be affordable to all of its customers, especially for the low income residential customers; and

WHEREAS, the San Antonio City Council approved and adopted on November 19, 2015 Rate Ordinance 2015-11-19-0956 which authorizes adjustments effective January 1, 2017 to rates and charges so long as they do not exceed 7.9% percent in the average monthly combined residential charge including water delivery rates, water supply fee rates, and wastewater rates, and do not exceed 12.3% in Recycle Water rates upon the agreement of the City of San Antonio Supervisor of Public Utilities and the San Antonio Water System of the rate recommendation; and

WHEREAS, adjustments are necessary to all water delivery, water supply, wastewater, and recycled water rates to provide sufficient funding to support the System’s 2017 Annual Operating Budget; and

WHEREAS, the 2017 Operating Budget assumes rate increases of 8.6% for Water Delivery rates, 6.8% for Water Supply Fee rates, 7.9% for Recycled Water rates, and 5.6% for Wastewater rates; and

WHEREAS, the adjustments to the rates are projected to result in a combined average increase of 6.8% to the average SAWS residential water and wastewater customer bill, assuming
7,092 gallons of water usage and 5,668 gallons of wastewater discharge per month; and

WHEREAS, the Rate Ordinance also authorized SAWS to adjust annually the charges for certain Special Services Fees automatically by the rate of inflation; and

WHEREAS, the Special Services Fees authorized for inflationary adjustment include the Industrial Waste Permit Fees, Industrial User Sampling Fees, Liquid Waste Permit and related fees, the Fats, Oil and Grease (FOG) Monthly Fee) and all Laboratory Test Fees; and

WHEREAS, the System has followed and continues to follow all applicable notification requirements for rate adjustments for water and wastewater services; and

WHEREAS, by Rate Ordinance 2015-11-19-0956 the San Antonio City Council also adopted the District Special Project (DSP) water rates (“Schedule G”) in effect at the time for former Bexar Metropolitan Water District (BexarMet) customers, and provided that those rates would be changed upon completion of full integration of the DSP with SAWS; and

WHEREAS, on January 14, 2016 the City Council adopted Bond Ordinance 2016-01-14-0014 which reaffirmed the Rate Ordinance, specified that the former BexarMet customers subject to Schedule G shall be subject to the future rate adjustments and fees applicable to all other SAWS customers, and authorized the defeasance of all outstanding debt; and

WHEREAS, on February 25, 2016, all outstanding debt of DSP was fully defeased through the issuance of SAWS junior lien bonds and commercial paper thereby completing the consolidation of SAWS and DSP; and

WHEREAS, to achieve the final integration element required by Texas Senate Bill 341, which is the establishment of rate parity among SAWS and DSP customers, it is necessary for the SAWS Board of Trustees to make a finding that all required conditions for full integration of the DSP with SAWS have been met and repeal as of January 1, 2017 the Schedule G rates established for former DSP customers thereby applying all SAWS rates to all former DSP customers as of January 1, 2017; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the Operating Budget for the San Antonio Water System for the year ending December 31, 2017 as set forth in Attachment I; (ii) authorize the approved 2017 Operating Budget be submitted to the City Council for review and consultation; (iii) direct staff to submit a budget amendment to the Board in certain instances; (iv) authorize the expenditure of funds for owner controlled construction changes for the year ending December 31, 2017 in an amount not to exceed $13,065,620; (v) approve adjustments to all water delivery, water supply fee, wastewater and recycled water rates for 2017 to support the San Antonio Water System’s 2017 Annual Budget as set forth in Attachment III, (vi) to approve certain Special Services fees-related amendments to Chapter 34 of the City Code as set forth in Attachment IV in accordance with authority given SAWS in the City Code to adjust certain of the Special Services Fees to automatically increase at the annual rate of inflation, (vii) make the adjustment of all water delivery, water supply fee, wastewater, recycled water rates and certain Special Services Fees effective for consumption on
or about January 1, 2017; (viii) make a finding that all required conditions for integration of the DSP with SAWS have been met; (ix) repeal as of January 1, 2017 the Schedule G rates established for former DSP customers thereby applying all SAWS rates and fees to all former DSP customers as of January 1, 2017; (x) direct staff to file with the San Antonio City Clerk certain amendments to Chapter 34 of the City Code of the City of San Antonio and the rate schedules incorporated therein be made as set forth in Attachment III and the Special Services Fee adjustments as set forth in Attachment IV; (xi) find the resolution to have been considered pursuant to the laws governing open meetings; now therefore:

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

1. That the Operating Budget of the San Antonio Water System for the Fiscal Year ending December 31, 2017 as set forth in Attachment I is hereby approved; such 2017 Operating Budget is incorporated herein by reference and a report detailing the estimated sources and uses of funds and the Capital Improvement Program for the fiscal year ending December 31, 2017 is available for inspection at the office of the Board of Trustees Administrator. Capitalized terms utilized hereby and not defined shall have the meanings ascribed in the SAWS Creation Ordinance.

2. That the submittal of the 2017 Operating Budget, as set forth in Attachment I, and a report detailing the estimated sources and uses of funds and the Capital Improvement Program for the Fiscal Year ending December 31, 2017 for the San Antonio Water System to the City Council for their review and consultation, pursuant to the City Ordinance No. 75686 is hereby authorized.

3. That the Board directs SAWS staff to submit an amendment of the 2017 Operating Budget to the Board for approval in the event the actual amount Available for R&R – Unrestricted will be less than the amount shown in Attachment I, or in the event the Debt Service and Expenses or Draw on Equity will be greater than the amount shown in Attachment I.

4. The expenditure of funds for owner controlled construction changes for the year ending December 31, 2017 in an amount not to exceed $13,065,620 is hereby authorized.

5. That adjustments of 8.6% for Water Delivery rates, 6.8% for Water Supply Fee rates, 7.9% for Recycled Water rates, and 5.6% for Wastewater rates as specified in the Rate Schedules A-F found in Attachment III are hereby authorized. The City’s Public Utilities Office agreed with these adjustments and presented its findings to the City Council during B Session on November 9, 2016 as noted in Attachment II.

6. That the Board approves certain Special Services Fees-related amendments to Chapter 34 of the City Code as set forth in Attachment IV in accordance with authority given SAWS in the City Code to adjust certain of the Special Services Fees to automatically increase at the annual rate of inflation.

7. That the adjustments to the rates and Special Services Fees are to be effective for consumption on or about January 1, 2017, and shall be applied to all billings as applicable after one complete monthly billing period on or about February 1, 2017.
8. That the Board finds that all required conditions set forth in Texas Senate Bill 341 for integration of the DSP with SAWS have been met.

9. That the rates established for former DSP customers under Section G of City Code Section 34-132 are hereby repealed as of January 1, 2017 thereby applying all SAWS rates and fees to all former DSP customers on or about January 1, 2017.

10. That the Board directs SAWS staff to coordinate with the City’s Office of Public Utilities and City Attorney’s Office to file with the San Antonio City Clerk certain amendments to Chapter 34 of the City Code of the City of San Antonio and the rate schedules as set forth in Attachment III and Attachment IV.

11. 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.

12. 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.

13. This Resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 14th day of December 2016.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Ernesto Arrellano, Jr., Secretary
## Estimated Sources and Uses of Funds

### Sources of Funds

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<th>Source</th>
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<tr>
<td>Non-operating Revenues</td>
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### Uses of Funds

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ATTACHMENT II

CITY OF SAN ANTONIO
INTERDEPARTMENTAL CORRESPONDENCE
CITY MANAGER'S OFFICE

TO: Mayor & City Council
FROM: Ben Gorzell, Chief Financial Officer
COPIES: Troy Elliott, Deputy Chief Financial Officer, Finance; Rogelio Pena, Assistant City Attorney
SUBJECT: Report on Proposed Adjustments to SAWS Rates
DATE: November 9, 2016

SUMMARY & RECOMMENDATIONS:

On November 19, 2015, City Council approved a 2016 Rate Plan for the San Antonio Water System (SAWS). The plan provided for pre-approved rate increase caps in the total bill of 7.5% for 2016 and 7.9% for 2017. These rate adjustment percentages are based on the impact to the average residential customer bill. SAWS is proposing a 6.8% increase for 2017, below what has already been approved. The SAWS Board is scheduled to vote to approve the 2017 Budget and the proposed rate adjustment of 6.8% on December 13th.

Based upon the Ordinance approved on November 19, 2015, establishing the not-to-exceed rate increase amount, no City Council action is required. City Staff conducted a comprehensive review and has determined that the proposed rate adjustment of 6.8% is reasonable and recommends the following considerations:

⇒ SAWS should closely monitor the progress associated with the Vista Ridge Project and the integration pipeline construction;
⇒ SAWS should continue to conduct outreach in an effort to provide additional assistance to customers receiving the affordability discount whose water usage is in residential blocks four through eight;
⇒ SAWS should continue to monitor customer assistance programs in relation to rate increases implemented in the future and should continue to expand program outreach;
⇒ SAWS should continue to monitor key customer service metrics and continue to focus on making improvements to its customer service business processes to include potential technology enhancements;
⇒ SAWS should continue to evaluate and focus on reducing water loss within its system;
⇒ SAWS should continue to provide quarterly written progress reports relating to its Sanitary Sewer Overflow (SSO) program which outlines performance of the program to include operational statistics such as miles of lines cleaned and televised and financial information; and,
⇒ SAWS should resume briefings to City Council or the Transportation, Technology, and Utilities Committee every other month; agenda to be managed by the City and should be focused on financial performance and key policy issues such as water supply projects to include Vista Ridge and Desalination, SSO Program, customer service improvements, drought management plan, and conservation initiatives.
BACKGROUND:

The Public Utilities Staff (“Staff”) of the Finance Department conducted a comprehensive review of the proposed rate adjustment for 2017 and the proposed rate plan for 2017 through 2021. Staff was involved in the process as SAWS was developing its revenue requirements and rate models for the 2017 Budget and updated 5-Year Plan. The review included areas such as the Economic/Rate Model; Key Financial Targets; Revenue Requirements; Proposed Capital Plan; Operations and Maintenance Budget; Financing Plan; Affordability Programs; Credit Considerations and others. The following sections offer a more detailed description of the analysis.

Proposed Rate Adjustments

On November 19, 2015, City Council approved an Ordinance authorizing adjustments to SAWS rates and an updated rate structure as a result of a comprehensive cost of service study. The Ordinance approved system-wide rate adjustments which resulted in a 7.5% rate increase for the average residential customer that took effect on January 1, 2016. In addition, the Ordinance approved a Rate Plan going forward that included a system-wide increase in rates not-to-exceed 7.9% for the average residential customer to be effective January 1, 2017, as well as additional adjustments to the water supply fee rates through 2020. SAWS is proposing a system-wide rate increase of 6.8% for the average residential customer, with no structural changes, to be effective January 1, 2017. This proposed adjustment is 1.1% below the not-to-exceed amount of 7.9%. SAWS will bring any future rate increases for Water Delivery and Wastewater to City Council for approval prior to implementation. In addition, the Ordinance approved in 2015 authorized certain special services fees to be increased by the annual adjustment in the Consumer Price Index (CPI) going forward, the proposed budget assumes a 0.88% annual CPI adjustment to those SAWS special services fees.

The 2016 Plan also provided for rate increase caps, solely for the Water Supply core business, for 2018 through 2020. This was done to support financial closure for the Vista Ridge Project.

Operations & Maintenance (O&M) Budget

The total O&M budget is $363.7 million for 2017. After capitalization of $38.9 million in costs that support and will be charged to the capital budget, the proposed O&M budget is $324.8 million. This represents an $11.2 million or 3.6% increase from last fiscal year’s budget of $313.7 million. The following graphic reflects the major categories of the O&M Budget before capitalization.
The following are highlights from the review of the proposed O&M Budget for 2017:

⇒ Of the total O&M Budget, $159.6 million, or 44% is for salaries and benefits;
⇒ Another $192.7 million, or 53% is in major categories to include contractual professional services, electric utility charges, water options, groundwater district payments, maintenance and materials, and chemicals;
⇒ Remaining $11.4 million, or 3%, is comprised of the various remaining line items such as fuel and lubricants, software and hardware maintenance, legal services, communications equipment, small tools and others;
⇒ Includes the addition of 42 positions (39 Full-Time Equivalent positions or FTEs), the majority of which are being added to continue to improve SAWS levels of customer service, and of which the funding for 19 of these positions is being redirected from other resources within the O&M budget;
⇒ Compensation increases for 2017 are reflected in performance pay which is based on a budget pool of 4.0% of salaries; and includes the implementation of a $14 living wage; and,
⇒ Includes costs to support benefits programs to include active healthcare, retiree healthcare and pension benefits; SAWS has implemented a number of changes to manage benefit costs; Examples include additional cost sharing with retirees, increased deductibles and out-of-pocket maximums, the implementation of a Spousal Surcharge of $100/month for spouses who elect SAWS health coverage but have other access to coverage, and the conversion of a PPO Plus Plan to an EPO Plus Plan deleting out-of-network coverage.

Capital Improvements Plan
Capital requirements are a significant driver in the development of rates as funding is derived from the issuance of additional debt and equity contributions, both of which impact cash flows on an annual basis. Equity contributions include both cash funding from the Renewal and Replacement Fund and impact fees. Staff’s review of the capital plan focused on the first 5 years (FY2017 through FY2021). SAWS’ five year capital plan is projected at $1.64 billion and includes $216.8 million for Water Resource development, $924.8 million for Wastewater projects, and $488.5 million for Water Delivery projects. For 2017, the capital budget of $367.5 million is being driven primarily by Wastewater projects related to the Consent Decree as discussed in more detail below and the Vista Ridge integration pipeline. Further details are provided as follows:
$178.8 million in Wastewater projects with 72.9% of this amount going towards mains replacement, 11.3% for governmental projects, 6.3% for collection facilities, 3.6% for treatment facilities and 5.9% for other projects;

$75.1 million in Water Delivery projects with 34.5% of this for governmental projects, 29.2% for production facilities, 15.5% for main replacements, 12.5% going towards new mains, and 8.3% for other projects; and,

$113.5 million in Water Supply & Recycled Water projects with 98.5% of this amount being dedicated to the Vista Ridge Integration Project, 1.2% for the Regional Carrizo Water Supply Project, and 0.3% for Recycled Water and other projects.

Sanitary Sewer Overflow Reduction Program (SSROP)
In 2013, SAWS entered into a Consent Decree under which it agreed to implement and perform several programs and initiatives over a ten year period from 2013 to 2023 to reduce the number of Sanitary Sewer Overflows (SSOs). Over this ten year period, the projected cost is estimated to be $1.092 billion comprised of $252 million in operating costs and $840 million in capital costs.

From 2013 to July of 2016, SAWS has expended $118.3 million in operating costs and has committed $247.6 million in capital projects in the SSORP. Operating costs are higher in the earlier years of the program due to efforts such as line cleaning, televising of lines, and inspections. Capital investment will become larger as SAWS proceeds through the ten year program with the start of this increased investment level beginning in 2017. SAWS submits quarterly reports to the City documenting its efforts under the SSORP, tracking progress, and measuring results of the program. SAWS must also submit a report to the Environmental Protection Agency (EPA) annually. SAWS’ website – http://www.saws.org/infrastructure/epa/download.cfm contains reports relating to this program. Based upon the quarterly reports, SAWS is on track with the SSORP goals for the various programs, however, due to the significant rainfall in 2015 and early 2016, the trend for SSOs will be higher as compared to 2014.

Non-Revenue Water
Non-revenue Water is water that SAWS produces but receives no revenue for. Non-revenue water consists of three components: authorized water loss – firefighting and line flushing; apparent water loss – erroneous meter reads or faulty meters; and, real water loss – physical loss of water from the distribution system, including leaks in pipes and valves, theft, line breaks and customer service adjustments. Real water loss within a utilities distribution system remains a challenge for most water utilities. SAWS has a water distribution system made up of almost 7,000 miles of distribution mains, pumps, and storage tanks. Non-revenue water made up 16.8% (38,829 Acre Feet or AF) of all water produced by SAWS in 2015. Of this amount; it is estimated that 1.6% (3,698 AF) was authorized water loss, 2.6% (6,009 AF) was apparent water loss, and 12.6% (29,122 AF) was real water loss.

Over the past several years, SAWS has made changes to begin to address the issue of real water loss. It has installed meters at its production facilities to more accurately account for the water that is produced and has also been replacing older or low performing customer meters to get a more accurate accounting of water used by customers. In 2016, SAWS added new positions for a leak detection and repair crew to also focus on reducing the real water loss.

In 2017, SAWS is proposing to spend $14 million dollars to address the issue of non-revenue water. Of this total amount $6.1 million will be for point leak repairs, $4.5 million will be used for outside contract work for other leak repairs, $2.0 million will be for meter replacements, $1.2 million will be for leak detection and valve replacements, and $0.2 million will be for water systems optimization. Recently, SAWS began utilizing new technologies to better determine the location of leaks in order to isolate repairs and save costs. Examples of these new technologies include: the “Smart Ball” inline leak
detection system that will roll through a pipe listening for sounds and detecting leaks within 6 inches of the actual location; in-line acoustic leak and gas pocket detection using tethered and untethered tools; structural pipe wall inspections using electromagnetic technologies to identify areas of corrosion; robotic platforms; and others.

Customer Service Improvements
In 2015, SAWS experienced issues with some customers receiving high water bills as a result of meter estimations. On October 1, 2015, SAWS briefed City Council on the issues that contributed to these high bills and SAWS’ proposed an action plan to address billing errors. SAWS took steps to address these issues such as increased staffing support, meeting with community groups, creating a dedicated phone line and an e-mail address for reporting concerns, and “Rapid Response” sessions. The graph below depicts meter estimation progress as SAWS moves toward a goal of 99% of all meters read, as illustrated by the red line, the blue line represents the actual monthly bill estimations. The industry standard for meter reads is 95% of meters read, while best-in-class is 98% to 99%.

The proposed budget continues to include additional initiatives designed to improve the customer service function in the two main areas: meter reading and customer call answer times. SAWS is focusing on key metrics to gauge progress in these areas. For meter reading, SAWS will be targeting a goal of 99% of all meters read as illustrated above. For customer call times, SAWS will be targeting a service level goal of having 70% of all calls answered within 45 seconds. SAWS has not yet achieved that level, but progress is being made. In order to address these issues the proposed FY17 budget provides for the funding of an additional 36 positions (33 FTEs) in the following departments: Call Center – 13; Reading Review – 6; Billing/Account Review – 6; Quality Assurance – 4; and, Meter Reading – 7. In addition, the 2017 Budget provides for $400,000 in funding to support additional contractual services for Advanced Metering Infrastructure consultant and a Customer Interaction System, and $339 thousand in funding for temporary employees to work in the Call Center during peak times.
Economic/Rate Model
SAWS uses a comprehensive Cash Flow Model (“Model”) to develop financial forecasts of revenues, operations and maintenance expense, capital expenditures, capital financing including cash and debt financing, and rate requirements. The Model incorporates 20-year financial forecasts and requirements by each core business unit – Water Delivery, Wastewater, Water Supply, and Chilled Water. The structure of the Model, which includes the calculation of the flow of funds and rate adjustment requirements, is based on the enabling Ordinance of SAWS. In addition to requirements under the Ordinance, SAWS leadership team has developed key financial targets and policies that are designed to assist SAWS in maintaining a strong financial position, attaining its long-term financial goals, meeting the capital and maintenance requirements of the four core business units, and maintaining a strong credit rating. Credit ratings are an important factor due to the level of projected capital funding required and the impact on the overall cost of borrowing.

The model fully integrates the District Special Project (DSP), the former Bexar Met, in order to meet the requirements of state law on January 1, 2017; where the DSP and SAWS System’s will be fully consolidated and will achieve rate parity.

The analysis of the rate model indicates that the current rate request will maintain or slightly improve key SAWS financial measures during the next several years. With the large capital program SAWS has planned over the next several years, strong financial measures will be essential to ensure the lowest possible financing costs along with adequate debt capacity. The proposed rate model also plans for all obligations in the flow of funds (outlined in SAWS bond ordinances) to be met as required. The model includes conservative assumptions that should allow SAWS actual rate requirements for 2018 to 2021 to be less than those included in the updated “2017 Rate Plan”. Some of the key conservative assumptions include variables such as:

⇒ Assumes no sale of water from the Vista Ridge Project to third parties;
⇒ Issuance of all debt utilized to fund the Capital Improvement Program at the Senior Lien level and the related debt service fund requirements;
⇒ Issuance of debt occurs on January 1 of each year; and,
⇒ Assumes no savings from future debt re-financings.

Customer Bill Impact
The rate adjustments as proposed by SAWS will have a combined effect of an overall increase of 6.8% in system-wide revenues for Wastewater, Water Delivery and Water Supply Fee rates. If the proposed budget and rate increase is approved by SAWS Board, the average residential customer using 7,092 gallons would pay $59.44 per month, an increase of $3.79 per month from the existing rate structure. The proposed increase would become effective January 1, 2017. For examples of the impact of the proposed rate increases on the residential and general class customers at various usages, please see Appendix A.

As noted above DSP customers will now be fully integrated into the SAWS rate structure. As such, most former DSP residential customers’ water rates will increase for the first time since 2010 with the average increase exceeding the 6.8% average of other SAWS residential customers. All former DSP commercial class customers will see a decrease in rates for usage other than irrigation.

Affordability Program Update
The Affordability Discount Program (ADP) is projected to increase by 26% from $2.7 million to $3.4 million in 2017. The ADP is a discount taken off each monthly bill and it is available for those customers who have income at or below 125% of Federal Poverty guidelines. Attachment B summarizes the yearly changes in the sliding scale from 2016 to 2017.
For those SAWS customers receiving an ADP discount, staff reviewed where their usage would fall within the new proposed eight block water rate structure. Based upon this review, approximately 42% would fall in blocks 4 through 8. Staff recommends that SAWS perform additional outreach to these customers to assist in determining why usage is in the upper blocks and, if possible, assist in lowering their usage into the lower blocks. If needed, SAWS should also consider providing additional assistance to ADP customers in the upper blocks if usage cannot be lowered given that SAWS tiered rate structure results in more significant cost increases to customers in the upper blocks.

The ADP is in addition to the following programs which provide assistance to qualified customers who need help paying their SAWS bill: Project Agua – Payment Assistance, Senior Citizen Billing Program and the Disability Billing program. SAWS total budget for all affordability programs is projected to increase by 30% from $3.0 million to $3.9 million in 2017.

FISCAL IMPACT:

The City receives 2.7% of gross revenues from SAWS. If the new rates become effective January 1, 2017, additional revenue of approximately $784,500 will be generated for the nine months in FY2017. On an annual basis, City payment would increase by approximately $1,046,000.

The City’s utility expenses would also increase for the remainder of the current fiscal year in the amount of approximately $199,700. On an annual basis, the City’s utility expenses will increase by approximately $268,650 beginning in FY2017. The net impact to the City will be $584,500 in FY2017 and $777,350 on an annual basis.
### Appendix A: Monthly Bill Impact Residential and General Class

#### Monthly Bill Impact Residential Class

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- Includes Water Delivery, Water Supply Fee and Wastewater for ICL rates (Inside City Limits) – does not include EAA & TCEQ pass-through fees
- Amount of sewage usage equals water usage in blocks 1-3; Blocks 4-8 have a sewer usage of the projected Average Winter Consumption of 5,668 gallons

#### Monthly Bill Impact General Class

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<th>% of Base</th>
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- Includes Water Delivery, Water Supply Fee and Wastewater for ICL rates – does not include EAA & TCEQ pass-through fees
## Appendix B: Affordability Scale

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<th>Income at or below 50% of Poverty</th>
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<th>Income at or below 100% of Poverty</th>
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<td>$5.61</td>
<td>$4.00</td>
<td>$3.73</td>
</tr>
<tr>
<td>2017 Increase</td>
<td>$1.32</td>
<td>$0.65</td>
<td>$0.32</td>
<td>-</td>
</tr>
<tr>
<td>2017 Discount</td>
<td>$9.32</td>
<td>$6.26</td>
<td>$4.32</td>
<td>$3.73</td>
</tr>
<tr>
<td><strong>Sewer Only</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 Discount</td>
<td>$10.00</td>
<td>$7.00</td>
<td>$4.25</td>
<td>$3.63</td>
</tr>
<tr>
<td>2017 Increase</td>
<td>$2.08</td>
<td>$1.04</td>
<td>$0.24</td>
<td>-</td>
</tr>
<tr>
<td>2017 Discount</td>
<td>$12.08</td>
<td>$8.04</td>
<td>$4.49</td>
<td>$3.63</td>
</tr>
</tbody>
</table>
ATTACHMENT III

AMENDMENTS TO CHAPTER 34, ARTICLE II OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article II, Water Service and Rates, Section 34-121, Establishment of Rate Schedules is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Article II. Water Service and Rates

Section 34-121. Establishment of Rates and Schedules

The schedule of water service rates and charges contained in Schedule A relating to residential water customers, the schedule of water service rates and charges contained in Schedule B relating to general water customers, the schedule of water service rates and charges in Schedule C relating to wholesale water customers, and the schedule of water service rates and charges in Schedule D for irrigation water rates, as amended, attached hereto, shall be effective for all consumption on or about January 1, 2016 and shall be the lawful rates for water service to be charged by the System.

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article II, Water Service and Rates, Section 34-122, Rate Schedules is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Section 34-122. Rate Schedules

Rate Schedules A, B, C and D relating to residential, general and wholesale, and irrigation customers are hereby amended and shall hereinafter read as attached hereto and incorporated herein.
AMENDMENTS TO CHAPTER 34, ARTICLE II OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article II, Water Service and Rates, Section 34-132, Establishment of Rate Schedules for Former District Special Projects Customers is hereby repealed effective January 1, 2017 by deleting the language that is stricken as set forth herein. Schedule G is hereby repealed effective January 1, 2017 by deleting the language as set forth herein.

Section 34-132. Establishment of Rates and Schedules for Former District-Special Project Customers

The schedule of water service rates and charges contained in Schedule G relating to customers of the former District-Special Project, attached hereto, shall be effective for all consumption on or about the date of dissolution of the District-Special Project (as determined to have occurred by provision of City ordinance) and shall be the lawful rates for water service to be charged by the System to customers of the former District-Special Project at least until integration of the System and the former Bexar Metropolitan Water District is accomplished pursuant to and as required by law.
AMENDMENTS TO CHAPTER 34, ARTICLE III OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article III, Sewer Service and Rates, Section 34-226, Establishment of Rates and Schedules, is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Article III, Sewer Service and Rates

Rate Schedules A, B, and C relating to wastewater residential, general, and wholesale customers are hereby amended and shall hereinafter read as attached hereto and incorporated herein.

Section 34.226. Establishment of Rates and Schedules, Rates Schedules and Affordability Discount Analysis

The schedule of sewer service rates and charges contained in Schedule A for residential sewer service customers, the schedule of sewer service rates and charges contained in Schedule B for general sewer service customers, and the sewer service rates and charges contained in Schedule C for wholesale sewer service customers, as amended attached hereto, shall be effective for all consumption on or about January 1, 2016, and shall be the lawful rates for sewer service to be charged by the System except as specified below:

Customers approved by SAWS for participation in the Flat Rate Sewer Program in accordance with Section 34-226.2 shall pay sewer charges as required under the Flat Rate Sewer Program.

Rate Schedules A, B and C relating to sewer service for residential, general and wholesale customers are hereby amended and shall hereinafter read as attached hereto and incorporated herein.
AMENDMENTS TO CHAPTER 34, ARTICLE VIII OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article VIII, Recycled Water Service and Rates is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Article VIII, Recycled Water Service and Rates

Section 34-1301. Establishment of Rates.

The rates and charges for recycled water service which will be applied to all recycled water consumption beginning on or about January 1, 2016 2017 are set out in Schedule F to this Chapter and shall be the lawful rates for recycled water service to be charged by the System.
The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article IX, Water Supply Fee is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Article IX, Water Supply Fee

Section 34-1345. Water Supply Fee Schedule

The Water Supply Fee which will be applied to all consumption beginning on or about January 1, 2016 2017 is set out in Schedule E to this Chapter. Such water supply fee schedule shall remain in effect as set out in Schedule E until the System's Board of Trustees and Council of the City of San Antonio determine that an additional adjustment is necessary to most effectively meet the water supply development needs of system customers.
SCHEDULE A
RESIDENTIAL CLASS WATER AND SEWER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM
San Antonio, Texas
Effective for Consumption on or about January 1, 2017

Water service charges for all metered residential water connections INSIDE THE CITY LIMITS of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered residential water connections INSIDE THE CITY LIMITS shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to average monthly water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the schedule below. Customers who do not have a record of water usage or an interim average will be billed for sewer service assuming 3,489.673 gallons monthly sewer usage. Customers with no San Antonio Water System service or District Special Project meter will be charged the Sewer Service Availability Charge based on a 5/8” meter size.

MONTHLY SERVICE AVAILABILITY CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Water Service Availability Charge*</th>
<th>Sewer Service Availability Charge*</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$10.78</td>
<td>$2.20</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$13.18</td>
<td>$2.64</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$15.49</td>
<td>$3.08</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>$18.14</td>
<td>$3.52</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$20.61</td>
<td>$4.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$107.30</td>
<td>$61.45</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$176.76</td>
<td>$92.14</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$348.66</td>
<td>$153.63</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$555.58</td>
<td>$245.80</td>
</tr>
<tr>
<td>10&quot;</td>
<td>$706.97</td>
<td>$368.71</td>
</tr>
<tr>
<td>12&quot;</td>
<td>$1,084.66</td>
<td>$519.15</td>
</tr>
</tbody>
</table>

*Water Service Availability Charge shall be reduced by $2.14 if usage does not exceed 2,992 gallons.

MONTHLY VOLUME CHARGES

<table>
<thead>
<tr>
<th>Usage Gallon - Block Threshold</th>
<th>Rate Per 100 Gallons</th>
<th>Usage Gallon - Block Threshold</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,992 Gallons</td>
<td>$0.0619</td>
<td>10,473 Gallons</td>
<td>$0.1842</td>
</tr>
<tr>
<td>Over 2,992 Gallons</td>
<td></td>
<td>Over 2,992 Gallons</td>
<td></td>
</tr>
</tbody>
</table>

Water service charges for all metered residential water connections OUTSIDE THE CITY LIMITS of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered residential water connections OUTSIDE THE CITY LIMITS shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to average monthly water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the schedule below. Customers who do not have a record of water usage or an interim average will be billed for sewer service assuming 2,992 gallons monthly sewer usage. Customers with no San Antonio Water System service or District Special Project meter will be charged the Sewer Service Availability Charge based on a 5/8” meter size.

MONTHLY SERVICE AVAILABILITY CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Water Service Availability Charge</th>
<th>Sewer Service Availability Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$10.78</td>
<td>$2.20</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$13.18</td>
<td>$2.64</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$15.49</td>
<td>$3.08</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>$18.14</td>
<td>$3.52</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$20.61</td>
<td>$4.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$107.30</td>
<td>$61.45</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$176.76</td>
<td>$92.14</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$348.66</td>
<td>$153.63</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$555.58</td>
<td>$245.80</td>
</tr>
<tr>
<td>10&quot;</td>
<td>$706.97</td>
<td>$368.71</td>
</tr>
<tr>
<td>12&quot;</td>
<td>$1,084.66</td>
<td>$519.15</td>
</tr>
</tbody>
</table>

*Water Service Availability Charge shall be reduced by $2.14 if usage does not exceed 2,992 gallons.

MONTHLY VOLUME CHARGES

<table>
<thead>
<tr>
<th>Usage Gallon - Block Threshold</th>
<th>Rate Per 100 Gallons</th>
<th>Usage Gallon - Block Threshold</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,992 Gallons</td>
<td>$0.0619</td>
<td>10,473 Gallons</td>
<td>$0.1842</td>
</tr>
<tr>
<td>Over 2,992 Gallons</td>
<td></td>
<td>Over 2,992 Gallons</td>
<td></td>
</tr>
</tbody>
</table>

San Antonio, Texas

Water service charges for all metered residential water connections INSIDE THE CITY LIMITS of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered residential water connections INSIDE THE CITY LIMITS shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to average monthly water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the schedule below. Customers who do not have a record of water usage or an interim average will be billed for sewer service assuming 3,489.673 gallons monthly sewer usage. Customers with no San Antonio Water System service or District Special Project meter will be charged the Sewer Service Availability Charge based on a 5/8” meter size.
**SCHEDULE B**

**GENERAL CLASS WATER AND SEWER RATE SCHEDULES**

**SAN ANTONIO WATER SYSTEM**

San Antonio, Texas

Effective for Consumption on or about January 1, 2017

Water service charges for all metered General Class water connections **INSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered General Class water connections **INSIDE THE CITY LIMITS** shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to metered water usage and are billed according to the schedule below. Customers with no San Antonio Water System or District Special Project water meter will be charged the Sewer Service Availability Charge based on a 2” meter size.

### MONTHLY SERVICE AVAILABILITY CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Water Service Availability</th>
<th>Sewer Service Availability</th>
<th>Usage Blocks</th>
<th>Rate Per 100 Gallons</th>
<th>Usage Gallon Block Threshold</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8”</td>
<td>$11.88</td>
<td>$12.29</td>
<td>12.58</td>
<td>$12.98</td>
<td>100-125% of Base</td>
<td>$0.1514</td>
</tr>
<tr>
<td>3/4”</td>
<td>$16.55</td>
<td>$17.52</td>
<td>17.97</td>
<td>$14.28</td>
<td>125-175% of Base</td>
<td>$0.1743</td>
</tr>
<tr>
<td>1”</td>
<td>$26.46</td>
<td>$28.36</td>
<td>28.74</td>
<td>$16.22</td>
<td>&gt;175% of Base</td>
<td>$0.2272</td>
</tr>
<tr>
<td>1-1/2”</td>
<td>$54.24</td>
<td>$55.71</td>
<td>55.65</td>
<td>$22.71</td>
<td>&gt;175% of Base</td>
<td>$0.2651</td>
</tr>
<tr>
<td>2”</td>
<td>$80.92</td>
<td>$82.73</td>
<td>87.88</td>
<td>$32.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3”</td>
<td>$150.27</td>
<td>$154.45</td>
<td>163.19</td>
<td>$64.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4”</td>
<td>$249.30</td>
<td>$256.18</td>
<td>270.74</td>
<td>$97.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6”</td>
<td>$496.88</td>
<td>$521.63</td>
<td>539.61</td>
<td>$162.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8”</td>
<td>$794.92</td>
<td>$831.80</td>
<td>862.31</td>
<td>$259.56</td>
<td>&gt;100-125% of Base</td>
<td>$0.1892</td>
</tr>
<tr>
<td>10”</td>
<td>$1,140.04</td>
<td>$1,185.80</td>
<td>1,238.74</td>
<td>$389.36</td>
<td>&gt;125-175% of Base</td>
<td>$0.2467</td>
</tr>
<tr>
<td>12”</td>
<td>$2,131.04</td>
<td>$2,181.84</td>
<td>2,314.31</td>
<td>$519.14</td>
<td>&gt;175% of Base</td>
<td>$0.2879</td>
</tr>
</tbody>
</table>

*The Base Use is defined as 100% of the Annual Average Consumption

Water service charges for all metered General Class water connections **OUTSIDE THE CITY LIMITS** or District Special Project water meter will be charged the Sewer Service Availability Charge based on a 2” meter size.

### MONTHLY VOLUME CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Water Service Availability</th>
<th>Sewer Service Availability</th>
<th>Usage Blocks</th>
<th>Rate Per 100 Gallons</th>
<th>Usage Gallon Block Threshold</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8”</td>
<td>$11.88</td>
<td>$12.29</td>
<td>12.58</td>
<td>$12.98</td>
<td>100-125% of Base</td>
<td>$0.1514</td>
</tr>
<tr>
<td>3/4”</td>
<td>$16.55</td>
<td>$17.52</td>
<td>17.97</td>
<td>$14.28</td>
<td>125-175% of Base</td>
<td>$0.1743</td>
</tr>
<tr>
<td>1”</td>
<td>$26.46</td>
<td>$28.36</td>
<td>28.74</td>
<td>$16.22</td>
<td>&gt;175% of Base</td>
<td>$0.2272</td>
</tr>
<tr>
<td>1-1/2”</td>
<td>$54.24</td>
<td>$55.71</td>
<td>55.65</td>
<td>$22.71</td>
<td>&gt;175% of Base</td>
<td>$0.2651</td>
</tr>
<tr>
<td>2”</td>
<td>$80.92</td>
<td>$82.73</td>
<td>87.88</td>
<td>$32.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3”</td>
<td>$150.27</td>
<td>$154.45</td>
<td>163.19</td>
<td>$64.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4”</td>
<td>$249.30</td>
<td>$256.18</td>
<td>270.74</td>
<td>$97.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6”</td>
<td>$496.88</td>
<td>$521.63</td>
<td>539.61</td>
<td>$162.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8”</td>
<td>$794.92</td>
<td>$831.80</td>
<td>862.31</td>
<td>$259.56</td>
<td>&gt;100-125% of Base</td>
<td>$0.1892</td>
</tr>
<tr>
<td>10”</td>
<td>$1,140.04</td>
<td>$1,185.80</td>
<td>1,238.74</td>
<td>$389.36</td>
<td>&gt;125-175% of Base</td>
<td>$0.2467</td>
</tr>
<tr>
<td>12”</td>
<td>$2,131.04</td>
<td>$2,181.84</td>
<td>2,314.31</td>
<td>$519.14</td>
<td>&gt;175% of Base</td>
<td>$0.2879</td>
</tr>
</tbody>
</table>

*The Base Use is defined as 100% of the Annual Average Consumption
## Water Service Charges

Water service charges for all metered wholesale water connections shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered wholesale water connections shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to metered water usage and are billed according to the schedule below.

### Water Service Availability Charges

<table>
<thead>
<tr>
<th>Meter Size†</th>
<th>Water Service Availability Charge</th>
<th>Sewer Service Availability Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>6”</td>
<td>$450.50</td>
<td>$287.82</td>
</tr>
<tr>
<td>8”</td>
<td>$719.48</td>
<td>$287.82</td>
</tr>
<tr>
<td>10”</td>
<td>$1,035.28</td>
<td>$287.82</td>
</tr>
<tr>
<td>12”</td>
<td>$1,929.88</td>
<td>$287.82</td>
</tr>
</tbody>
</table>

### Water Monthly Volume Charges

<table>
<thead>
<tr>
<th>Usage Gallon - Block Threshold</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>$0.1755</td>
</tr>
<tr>
<td>All Usage</td>
<td>$0.3756</td>
</tr>
</tbody>
</table>

### Sewer Service Availability Charges

<table>
<thead>
<tr>
<th>Meter Size†</th>
<th>Sewer Service Availability Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>6”</td>
<td>$303.94</td>
</tr>
<tr>
<td>8”</td>
<td>$303.94</td>
</tr>
<tr>
<td>10”</td>
<td>$303.94</td>
</tr>
<tr>
<td>12”</td>
<td>$303.94</td>
</tr>
</tbody>
</table>

### Sewer Monthly Volume Charges

<table>
<thead>
<tr>
<th>Usage Gallon - Block Threshold</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>0.3719</td>
</tr>
<tr>
<td>All Usage</td>
<td>0.3966</td>
</tr>
</tbody>
</table>

*The Base Use is defined as 100% of the Annual Average Consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.

† Wholesale water service will not be provided through a meter smaller than 6” in order to comply with fire-flow requirements and the "Criteria for Water Supply and Distribution in the City of San Antonio and its Extraterritorial Jurisdiction."
# SCHEDULE D

IRRIGATION CLASS WATER AND SEWER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM
San Antonio, Texas
Effective for Consumption on or about January 1, 2017

Water service charges for all irrigation water service **INSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Service Availability charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below.

## MONTHLY SERVICE AVAILABILITY CHARGE

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Availability Charge</th>
<th>Rate Per 100-Gallon Block-Threshold Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$11.58</td>
<td>$12.58</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$16.55</td>
<td>$17.97</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$26.46</td>
<td>$28.74</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>$51.24</td>
<td>$55.65</td>
</tr>
<tr>
<td>2&quot;</td>
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<td>4&quot;</td>
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<td>$270.74</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$495.88</td>
<td>$539.61</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$794.02</td>
<td>$862.31</td>
</tr>
<tr>
<td>10&quot;</td>
<td>$1,140.64</td>
<td>$1,238.74</td>
</tr>
<tr>
<td>12&quot;</td>
<td>$2,141.64</td>
<td>$2,314.31</td>
</tr>
</tbody>
</table>

Water service charges for all irrigation water service **OUTSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Service Availability charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below.

## MONTHLY SERVICE AVAILABILITY CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Availability Charge</th>
<th>Rate Per 100-Gallon Block-Threshold Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$14.16</td>
<td>$15.38</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$20.17</td>
<td>$21.90</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$32.45</td>
<td>$34.91</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>$62.69</td>
<td>$67.43</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$97.98</td>
<td>$106.41</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$181.81</td>
<td>$197.45</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$391.52</td>
<td>$327.45</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$609.85</td>
<td>$652.52</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$960.05</td>
<td>$1,042.61</td>
</tr>
<tr>
<td>10&quot;</td>
<td>$1,379.69</td>
<td>$1,497.69</td>
</tr>
<tr>
<td>12&quot;</td>
<td>$2,576.40</td>
<td>$2,797.97</td>
</tr>
</tbody>
</table>
The Water Supply Fee shall be assessed on all potable water service for water usages in every instance of service for each month or fraction thereof according to the schedule below.

<table>
<thead>
<tr>
<th>Rate Class</th>
<th>Usage Gallon</th>
<th>Fee to be Assessed (per 100 gallons)</th>
<th>Rate Class</th>
<th>Usage Gallon</th>
<th>Fee to be Assessed (per 100 gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>2,992 Gallons</td>
<td>$0.0892</td>
<td>Residential</td>
<td>2,992 Gallons</td>
<td>$0.0954</td>
</tr>
<tr>
<td></td>
<td>4,489 Gallons</td>
<td>$0.1561</td>
<td></td>
<td>4,489 Gallons</td>
<td>$0.1669</td>
</tr>
<tr>
<td></td>
<td>5,985 Gallons</td>
<td>$0.2007</td>
<td></td>
<td>5,985 Gallons</td>
<td>$0.2145</td>
</tr>
<tr>
<td></td>
<td>7,481 Gallons</td>
<td>$0.2454</td>
<td></td>
<td>7,481 Gallons</td>
<td>$0.2623</td>
</tr>
<tr>
<td></td>
<td>10,473 Gallons</td>
<td>$0.2900</td>
<td></td>
<td>10,473 Gallons</td>
<td>$0.3100</td>
</tr>
<tr>
<td></td>
<td>14,962 Gallons</td>
<td>$0.3346</td>
<td></td>
<td>14,962 Gallons</td>
<td>$0.3577</td>
</tr>
<tr>
<td></td>
<td>20,199 Gallons</td>
<td>$0.4015</td>
<td></td>
<td>20,199 Gallons</td>
<td>$0.4292</td>
</tr>
<tr>
<td></td>
<td>Over 20,199 Gallons</td>
<td>$0.5798</td>
<td></td>
<td>Over 20,199 Gallons</td>
<td>$0.6198</td>
</tr>
<tr>
<td>General</td>
<td>Base*</td>
<td>$0.1683</td>
<td>General</td>
<td>Base**</td>
<td>$0.2344</td>
</tr>
<tr>
<td></td>
<td>125% of Base</td>
<td>$0.1936</td>
<td></td>
<td>Over Base</td>
<td>$0.7033</td>
</tr>
<tr>
<td></td>
<td>175% of Base</td>
<td>$0.2525</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over 175% of Base</td>
<td>$0.3946</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>Base**</td>
<td>$0.2193</td>
<td>Wholesale</td>
<td>Base**</td>
<td>$0.2344</td>
</tr>
<tr>
<td></td>
<td>Over Base</td>
<td>$0.6579</td>
<td></td>
<td>Over Base</td>
<td>$0.7033</td>
</tr>
<tr>
<td>Irrigation</td>
<td>8,229 Gallons</td>
<td>$0.2202</td>
<td>Irrigation</td>
<td>8,229 Gallons</td>
<td>$0.2354</td>
</tr>
<tr>
<td></td>
<td>17,954 Gallons</td>
<td>$0.3083</td>
<td></td>
<td>17,954 Gallons</td>
<td>$0.3296</td>
</tr>
<tr>
<td></td>
<td>162,316 Gallons</td>
<td>$0.3964</td>
<td></td>
<td>162,316 Gallons</td>
<td>$0.4238</td>
</tr>
<tr>
<td></td>
<td>Over 162,316 Gallons</td>
<td>$0.5066</td>
<td></td>
<td>Over 162,316 Gallons</td>
<td>$0.5416</td>
</tr>
</tbody>
</table>

*The Base Use for the General Class is defined as 100% of the Annual Average Consumption

**The Base Use for the Wholesale Class is defined as 100% of the Annual Average Consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.
SCHEDULE F
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM
San Antonio, Texas

Effective for Consumption on or about January 1, 2017

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Availability Charge</th>
<th>Usage Blocks</th>
<th>Rate Per 100 Gallons</th>
<th>Standard</th>
<th>Seasonal</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$10.42</td>
<td></td>
<td>Transferred Amount</td>
<td>$0.0274</td>
<td>$0.0274</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>11.24</td>
<td></td>
<td></td>
<td>$0.0296</td>
<td>$0.0296</td>
</tr>
<tr>
<td>1&quot;</td>
<td>14.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>20.47</td>
<td>All in excess of transferred amount</td>
<td>$0.1028</td>
<td>$0.1093</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>44.48</td>
<td></td>
<td></td>
<td>$0.1109</td>
<td>$0.1179</td>
</tr>
<tr>
<td>3&quot;</td>
<td>109.17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4&quot;</td>
<td>162.27</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6&quot;</td>
<td>309.55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8&quot;</td>
<td>466.60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10&quot;</td>
<td>639.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12&quot;</td>
<td>789.42</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NON EDWARDS EXCHANGE CUSTOMERS

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Availability Charge</th>
<th>Usage Blocks</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$10.42</td>
<td>First 748,000</td>
<td>$0.1100</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>11.24</td>
<td></td>
<td>$0.1183</td>
</tr>
<tr>
<td>1&quot;</td>
<td>14.63</td>
<td>Over 748,000</td>
<td>$0.1124</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>20.47</td>
<td></td>
<td>$0.1194</td>
</tr>
<tr>
<td>2&quot;</td>
<td>44.48</td>
<td></td>
<td>$0.1213</td>
</tr>
<tr>
<td>3&quot;</td>
<td>109.17</td>
<td></td>
<td>$0.1288</td>
</tr>
<tr>
<td>4&quot;</td>
<td>162.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6&quot;</td>
<td>309.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8&quot;</td>
<td>466.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10&quot;</td>
<td>639.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12&quot;</td>
<td>789.42</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Volume Charge "Seasonal" Rate Per 100 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 100 Gallons shall be utilized.

MONTHLY SERVICE AVAILABILITY CHARGES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Availability Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$10.42</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>11.24</td>
</tr>
<tr>
<td>1&quot;</td>
<td>14.63</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>20.47</td>
</tr>
<tr>
<td>2&quot;</td>
<td>44.48</td>
</tr>
<tr>
<td>3&quot;</td>
<td>109.17</td>
</tr>
<tr>
<td>4&quot;</td>
<td>162.27</td>
</tr>
<tr>
<td>6&quot;</td>
<td>309.55</td>
</tr>
<tr>
<td>8&quot;</td>
<td>466.60</td>
</tr>
<tr>
<td>10&quot;</td>
<td>639.81</td>
</tr>
<tr>
<td>12&quot;</td>
<td>789.42</td>
</tr>
</tbody>
</table>

MONTHLY VOLUME CHARGES

<table>
<thead>
<tr>
<th>Rate Per 100 Gallons</th>
<th>Rate Per 100 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Standard</td>
<td>Seasonal</td>
</tr>
<tr>
<td>$0.0274</td>
<td>$0.0274</td>
</tr>
<tr>
<td>$0.0296</td>
<td>$0.0296</td>
</tr>
<tr>
<td>$0.1028</td>
<td>$0.1093</td>
</tr>
<tr>
<td>$0.1109</td>
<td>$0.1179</td>
</tr>
<tr>
<td>$0.1124</td>
<td>$0.1194</td>
</tr>
<tr>
<td>$0.1213</td>
<td>$0.1288</td>
</tr>
</tbody>
</table>

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.
SCHEDULE G

WATER RATE CLASS SCHEDULE FOR FORMER DISTRICT SPECIAL PROJECT CUSTOMERS
SAN ANTONIO WATER SYSTEM
San Antonio, Texas

Effective for Consumption on or about Date of Dissolution of the District Special Project

RESIDENTIAL WATER RATES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Charge-per-month</th>
<th>Usage Tier</th>
<th>Rate-per-100-Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$7.93</td>
<td>0-5,000 Gallons</td>
<td>$0.0890</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>10.38</td>
<td>5,001-10,000 Gallons</td>
<td>0.1430</td>
</tr>
<tr>
<td>1&quot;</td>
<td>15.87</td>
<td>10,001-17,000 Gallons</td>
<td>0.3950</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>39.64</td>
<td>Above 17,000 Gallons</td>
<td>0.6300</td>
</tr>
<tr>
<td>2&quot;</td>
<td>63.47</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

COMMERCIAL WATER RATES

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Charge-per-month</th>
<th>Usage Tier</th>
<th>Rate-per-100-Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$24.41</td>
<td>0-40,000 Gallons</td>
<td>$0.2540</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>30.51</td>
<td>40,001-150,000 Gallons</td>
<td>0.4950</td>
</tr>
<tr>
<td>1&quot;</td>
<td>48.82</td>
<td>Above 150,000 Gallons</td>
<td>0.8000</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>122.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>195.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5&quot;</td>
<td>317.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3&quot;</td>
<td>439.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4&quot;</td>
<td>781.18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6&quot;</td>
<td>1,708.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8&quot;</td>
<td>2,929.43</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Meter Charge: This fee is combined with the Volumetric Charge to make up the Water Service Charge portion of the bill.

WATER SUPPLY FEE

This fee directly funds the acquisition of new water supplies to reduce San Antonio’s dependence on the Edwards Aquifer.

The Water Supply Fee is assessed on all potable water service for water usage in every instance of service for each month or fraction.

<table>
<thead>
<tr>
<th>Rate-per-100-Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.1840</td>
</tr>
</tbody>
</table>
ATTACHMENT IV

SPECIAL SERVICES FEES-RELATED AMENDMENTS TO CHAPTER 34, ARTICLE III OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34 is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Amend language as shown in the following section:

Section 34-484. Fees.

It is the purpose of this section to provide for the recovery of costs from users of the control authority wastewater disposal system for the implementation and continued operation of the pretreatment program established herein. All industrial users shall pay the following fees, as appropriate, and in accordance with the current fee schedule, within thirty (30) days of billing:

(a) A permit application fee
(b) A permit fee;
(c) Sampling fee;
(d) Analysis fee;
(e) Environmental assessment;
(f) Other fees as the control authority may deem necessary to carry out the requirements contained herein, such as, but not limited to emergency response fees, special sampling fees, monitoring equipment reset fees, etc. These fees relate solely to the matters covered by this division and are separate from all other fees, fines, and penalties chargeable by the control authority or any other agency.

The special services charges outlined in Schedule E, industrial waste fee schedule, relating to industrial waste permits and services shall be lawful rates charged by the system effective January 1, 2016 2017. The Schedule E charges shall be adjusted on January 1 of each year thereafter by the percentage difference (greater than zero) between the Consumer Price Index for All Urban Consumers (CPI-U) as it is calculated by the United States Bureau of Labor Statistics at the end of the month of July prior to the next year and as it was calculated at the end of the month of July one year earlier. SAWS will periodically perform a cost of service analysis to ensure that the fees charged do not exceed the cost of providing the services.

Amend language as shown in the following section:

Section 34-521. Fees.

All liquid waste transporters shall pay the following fees, as appropriate, and in accordance with the current fee schedule:

(1) A permit fee for each vehicle to be permitted;
(2) A fee for each reinspection required for a vehicle to qualify for an annual liquid waste hauling permit;
(3) A sampling fee;
(4) An analysis fee;
(5) A disposal site fee for disposing of septic or chemical toilet wastes at a control authority disposal facility;
(6) A manifest booklet fee;
(7) Other fees as the control authority may deem necessary to carry out the requirements contained herein, such as, but not limited to emergency response fees or special sampling fees. These fees relate solely to the matters covered by this division and are separate from all other fees, fines and penalties chargeable by the control authority or any other agency.

The special service charges outlined in Schedule F, liquid waste hauler fee schedule, relating to liquid waste hauler permits shall be lawful rates charged by the system effective January 1, 2016 2017. The Schedule F charges shall be adjusted on January 1 of each year thereafter by the percentage difference (greater than zero) between the Consumer Price Index for All Urban Consumers (CPI-U) as it is calculated by the United States Bureau of Labor Statistics at the end of the month of July prior to the next year and as it was calculated at the end of the month of July one year earlier. SAWS will periodically perform a cost of service analysis to ensure that the fees charged do not exceed the cost of providing the services.

Amend language as shown in the following section:

Sec. 34-530. Fees

(a) Except as provided in paragraph (c), to recover the costs for the implementation of this division, each SAWS account associated with each FSE and each FPE shall be assessed a fee of $20.69 $20.78 per month.

(b) This fee shall be effective January 1, 2016 2017. These fees shall be adjusted on January 1 of each year thereafter by the percentage difference (greater than zero) between the Consumer Price Index for All Urban Consumers (CPI-U) as it is calculated by the United States Bureau of Labor Statistics at the end of the month of July prior to the next year and as it was calculated at the end of the month of July one year earlier. SAWS will periodically perform a cost of service analysis to ensure that the fees charged do not exceed the cost of providing the services.

(c) Notwithstanding paragraphs (a) and (b) above, each account associated with an FSE or FPE being assessed a FOG fee in the amount of $12.25 per month as of December 31, 2015 shall continue to be assessed $12.25 per month until December 31, 2016. Effective January 1, 2017, the amount of the FOG fee assessed such accounts shall thereafter be equal to the amount to be assessed all accounts associated with each FSE and each FPE.
INDUSTRIAL WASTE FEE SCHEDULE

Under Article V, Sewage Transportation, Treatment and Disposal, Division 3, Sec. 34-484, et seg.

Effective 12:01 a.m., January 1, 2016 2017

Ordinance No. 2015-11-19-0956 dated November 19, 2015

<table>
<thead>
<tr>
<th>Name of Fee</th>
<th>Fee Amount</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Waste Discharge Permit - Categorical</td>
<td>$13,500.00</td>
<td>Per Five (5) Year Permit with annual pro rata payments</td>
</tr>
<tr>
<td></td>
<td>$13,618.91</td>
<td></td>
</tr>
<tr>
<td>Industrial Waste Discharge Permit - Non-Categorical</td>
<td>$10,125.00</td>
<td>Per Five (5) Year Permit with annual pro rata payments</td>
</tr>
<tr>
<td></td>
<td>$10,214.18</td>
<td></td>
</tr>
<tr>
<td>Sampling Fee - Significant Industrial Users</td>
<td>$600.00</td>
<td>Per sample of discharge from Significant Industrial User collected under Industrial Pre-Treatment Program</td>
</tr>
<tr>
<td></td>
<td>$605.28</td>
<td></td>
</tr>
<tr>
<td>Sampling Fee - Non-Significant Industrial Users</td>
<td>$10.62</td>
<td>Per month billed to Non-Significant Industrial User under Industrial Pre-Treatment Program</td>
</tr>
<tr>
<td></td>
<td>$10.71</td>
<td></td>
</tr>
</tbody>
</table>

**Laboratory Testing Fees:**

<table>
<thead>
<tr>
<th>Name of Fee</th>
<th>Fee Amount</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alkalinity</td>
<td>$17.22</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$17.37</td>
<td></td>
</tr>
<tr>
<td>Ammonia Direct</td>
<td>$20.09</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$20.26</td>
<td></td>
</tr>
<tr>
<td>Ammonia Distillation</td>
<td>$40.47</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$40.52</td>
<td></td>
</tr>
<tr>
<td>Biochemical Oxygen Demand</td>
<td>$34.43</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$34.74</td>
<td></td>
</tr>
<tr>
<td>Chemical Oxygen Demand</td>
<td>$35.87</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$36.18</td>
<td></td>
</tr>
<tr>
<td>Conductivity</td>
<td>$11.48</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$11.58</td>
<td></td>
</tr>
<tr>
<td>Cyanide - Total (with Post Amending)</td>
<td>$46.20</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$46.60</td>
<td></td>
</tr>
<tr>
<td>Phosphorus - Total</td>
<td>$25.69</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$25.91</td>
<td></td>
</tr>
<tr>
<td>Total Kjeldahl Nitrogen</td>
<td>$38.74</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$39.08</td>
<td></td>
</tr>
<tr>
<td>Name of Fee</td>
<td>Fee Amount</td>
<td>Unit</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------</td>
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</tr>
<tr>
<td>Total Dissolved Solids</td>
<td>$15.49</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$15.63</td>
<td>Per test</td>
</tr>
<tr>
<td>Total Suspended Solids</td>
<td>$18.36</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$18.53</td>
<td>Per test</td>
</tr>
<tr>
<td>Turbidity</td>
<td>$14.76</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$14.89</td>
<td>Per test</td>
</tr>
<tr>
<td>Escherichia Coli - Present/Absent</td>
<td>$21.84</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$22.00</td>
<td>Per test</td>
</tr>
<tr>
<td>Total Coliform - Present/Absent</td>
<td>$20.66</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$20.84</td>
<td>Per test</td>
</tr>
<tr>
<td>Fecal Coliform</td>
<td>$20.66</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$20.84</td>
<td>Per test</td>
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<tr>
<td>Fecal Streptococcus</td>
<td>$28.69</td>
<td>Per test</td>
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<td></td>
<td>$28.95</td>
<td>Per test</td>
</tr>
<tr>
<td>Escherichia Coli - Membrane Filtration</td>
<td>$20.66</td>
<td>Per test</td>
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<tr>
<td></td>
<td>$20.84</td>
<td>Per test</td>
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<tr>
<td>Mercury</td>
<td>$34.43</td>
<td>Per test</td>
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<td></td>
<td>$34.74</td>
<td>Per test</td>
</tr>
<tr>
<td>Hardness</td>
<td>$18.36</td>
<td>Per test</td>
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<tr>
<td></td>
<td>$18.53</td>
<td>Per test</td>
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<tr>
<td>Hexavalent Chromium</td>
<td>$33.00</td>
<td>Per test</td>
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<tr>
<td></td>
<td>$33.29</td>
<td>Per test</td>
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<tr>
<td>Metals</td>
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<td>Per test</td>
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<td></td>
<td>$16.21</td>
<td>Per test</td>
</tr>
<tr>
<td>Fats, Oil and Grease</td>
<td>$63.13</td>
<td>Per test</td>
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<tr>
<td></td>
<td>$63.68</td>
<td>Per test</td>
</tr>
<tr>
<td>IC (Nitrite, Sulfate, Chloride, Nitrite/Nitrate Combined, Nitrate, Fluoride)</td>
<td>$17.84</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$17.99</td>
<td>Per test</td>
</tr>
<tr>
<td>Organochlorine Pesticides</td>
<td>$195.12</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$196.83</td>
<td>Per test</td>
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<tr>
<td>Organophosphorus Pesticides (8 compounds)</td>
<td>$223.52</td>
<td>Per test</td>
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<tr>
<td></td>
<td>$225.49</td>
<td>Per test</td>
</tr>
<tr>
<td>Semi-Volatile Organic Compounds (70 - 110 compounds)</td>
<td>$430.40</td>
<td>Per test</td>
</tr>
<tr>
<td></td>
<td>$434.19</td>
<td>Per test</td>
</tr>
</tbody>
</table>
### SCHEDULE F

**LIQUID WASTE HAULER FEE SCHEDULE**

Under Article V, Sewage Transportation, Treatment and Disposal, Division 4, Sec. 34-521, et seg.

Effective 12:01 a.m., January 1, 2016

Ordinance No. 2015-11-19-0956 dated November 19, 2015

<table>
<thead>
<tr>
<th>Name of Fee</th>
<th>Fee Amount</th>
<th>Fee Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid Waste Permits and Coupons - Truck Permit</td>
<td>$333.00</td>
<td>Per annual permit per liquid waste hauling truck</td>
</tr>
<tr>
<td>Liquid Waste Permits and Coupons – Truck Permit Reinspection Fee</td>
<td>$186.00</td>
<td>Per each reinspection of a truck required for the truck to qualify for an annual liquid waste hauling permit</td>
</tr>
<tr>
<td>Liquid Waste Permits and Coupons - Manifest Coupon Books</td>
<td>$43.00</td>
<td>Per manifest book</td>
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<tr>
<td>Disposal Site Fee</td>
<td>$8.72</td>
<td>Per 100 gallons of disposed waste</td>
</tr>
</tbody>
</table>
AGENDA ITEM NO. ___31___

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


Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $2,275,490.00 to SAK Construction, LLC, a non-local, non-SMWB firm, in connection with the C_13 Broadway Corridor Project Packages 2.C and 4.C.

- 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 by the Sanitary Sewer Overflow (SSO) Reduction Team as being in poor condition due to deterioration and lacks sufficient capacity to handle future sewer flows due to growth and during peak storm events.

- The C_13 Broadway Corridor Project – Package C is broken into four smaller construction packages. Package C includes the rehabilitation of approximately 18,000 linear feet of 18-inch to 39-inch gravity sewer line.

- The C_13 Broadway Corridor Project Packages 2.C and 4.C includes the rehabilitation of approximately 9,000 linear feet of 18-inch to 36-inch gravity sewer main. These sewer mains are to be rehabilitated by cured-in-place pipe method.

- Package 2.C is along Lasoya and Broadway from Market to McCullough.

- Package 4.C is along Broadway from 12th Street to Grayson.

- SAK Construction, LLC, is now declared the lowest responsible bidder and has submitted the lowest responsible bid of $2,275,490.00.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2014 Capital Improvement Program. This project is included in the Wastewater Core Business, Main Replacements Category, the C_13 Broadway Corridor Project Packages 2.C and 4.C. budget line item. The total amount is $2,275,490.00 for sewer related construction work. The job numbers are 15-4511.

**SUPPLEMENTARY COMMENTS:**

CH2M Hill Engineers, Inc., prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $5,192,791.12.

A bid opening was held on November 11, 2016, at 10:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAK Construction, LLC*</td>
<td>$2,275,490.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>IPR South Central, LLC</td>
<td>$5,145,847.00</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$5,192,791.12</td>
<td></td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 56.2 percent decrease from the estimated construction cost. This contract has 240 days for construction completion. The System’s Engineering staff will inspect the work.

<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_13 Broadway Corridor Project – Packages 2.C and 4.C

Kathleen M. Price, P.E.
Director
Pipelines

Robert R. Puente
President/Chief Executive Officer

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

APPROVED:

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

C 3 BROADWAY CORRIDOR PROJECT -
PACKAGE 2.C AND 4.C

LEGEND

★ PROJECT SITE
EDWARDS AQUIFER RECHARGE ZONE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF SAK CONSTRUCTION, LLC, IN THE AMOUNT OF $2,275,490.00 IN CONNECTION WITH THE C_13 BROADWAY CORRIDOR PROJECT PACKAGES 2.C AND 4.C; AWARDING A CONTRACT TO SAK CONSTRUCTION, LLC, IN THE AMOUNT OF $2,275,490.00 FOR THE PROJECT WORK; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $2,275,490.00 FOR THE PROJECT WORK; APPROVING TOTAL EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,275,490.00 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 SAK CONSTRUCTION, LLC, AND TO PAY SAK CONSTRUCTION, LLC, AN AMOUNT NOT TO EXCEED $2,275,490.00 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 San Antonio Water System (the “System”) is undertaking to replace and upgrade sewer facilities within the C_13 Broadway Corridor Project Packages 2.C and 4.C. as part of its Capital Improvement Program; and

WHEREAS, this project includes the rehabilitation with cured-in-place pipe of approximately 9,000 linear feet of 18-inch to 36-inch sewer main, along Broadway and Lasoya from Market to McCullough and along Broadway from 12th Street to Grayson; and

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

WHEREAS, SAK Construction, LLC, a non-local, non-SMWB contractor, has submitted a bid in the amount of $2,275,490.00 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $2,275,490.00 are required for the project work; and
WHEREAS, the total amount of $2,275,490.00 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of SAK Construction, LLC in the amount of $2,275,490.00 for the project work in connection with the C_13 Broadway Corridor Project Packages 2.C and 4.C., (ii) to award a construction contract to SAK Construction, LLC, in the amount of $2,275,490.00 for the project work, (iii) to approve the expenditure of System funds in an amount of $2,275,490.00 for the project work, (iv) to approve a total expenditure in an amount not to exceed $2,275,490.00 from the System’s Project Fund for the project work, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with SAK Construction, LLC, for the project work and to pay an amount not to exceed $2,275,490.00 to SAK Construction, LLC, for the project work; now, therefore:

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

1. That the bid of SAK Construction, LLC, in the amount of $2,275,490.00 for the project work in connection with the C_13 Broadway Corridor Project Packages 2.C and 4.C., is hereby accepted.

2. That a construction contract in the amount of $2,275,490.00 for the project work is hereby awarded to SAK Construction, LLC.

3. That the expenditure of System funds in the amount of $2,275,490.00 for the project work is hereby approved.

4. That a total sum not to exceed $2,275,490.00 for the project work costs and related construction contingency expenses is hereby made available and is to be expended from the System’s Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with SAK Construction, LLC, for the project work and to pay the amount of $2,275,490.00 to SAK Construction, LLC, for the project work in connection with the C_13 Broadway Corridor Project Packages 2.C and 4.C.

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 14th day of December, 2016.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Ernesto Arrellano, Jr., Secretary
The attached resolution awards a construction contract in the amount of $2,082,547.00 to SAK Construction, LLC, a non-local, non-SMWB contractor, in connection with the Castroville Rd. 48-inch Rehab Project, DR #144.

- The contract 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 (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 contract will be used to rehabilitate sewer mains that have been identified by the Operations Department as in very poor condition. These sewer mains will be rehabilitated using the cured-in-place pipe method.

- This contract will be for the rehabilitation of approximately 3,105 LF of 48-inch and 56 LF of 42-inch diameter by cured-in-place pipe and associated manhole replacement and repairs.

- The attached resolution therefore finds that SAK Construction, LLC, has submitted the low responsible bid of $2,082,547.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item, Main Replacements category. The amount is $2,082,547.00 for wastewater related construction work under job number 16-4801.
SUPPLEMENTARY COMMENTS:

Merrick & Company prepared the bid proposal and specifications for this project. The engineer's estimated construction cost for this project is $2,892,814.09.

A bid opening was held on October 11, 2016, at 10:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAK Construction, LLC*</td>
<td>$2,082,547.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>Lanzo Trenchless Technologies South</td>
<td>$2,680,998.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>Layne Inliner, LLC</td>
<td>$2,684,483.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>Insituform Technologies LLC</td>
<td>$2,778,417.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>Engineer's Estimate</td>
<td>$2,892,814.09</td>
<td></td>
</tr>
<tr>
<td>IPR South Central</td>
<td>$3,113,636.00</td>
<td>Local/Non–SMWB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 28.0 percent decrease from the estimated construction cost. This contract has 180 days for construction completion. The System's Engineering staff will inspect the work.

---

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

Kathleen M. Price, P.E.
Director
Pipelines
Award of Construction Contract
Castroville Rd. 48-inch Rehab Project, DR #144

APPROVED:

[Signature]
Robert R. Puente
President/Chief Executive Officer

Attachments:

1. Project Site Map
2. Project Limits Map
SAN ANTONIO WATER SYSTEM
PROJECT AREA MAP
ATTACHMENT I

Legend

Project Site

Edwards Recharge Zones

Castroville Rd
48-Inch Rehab Project
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF SAK CONSTRUCTION, LLC, IN THE AMOUNT OF $2,082,547.00 IN CONNECTION WITH THE CASTROVILLE RD. 48-INCH REHAB PROJECT, DR #144; AWARDING A CONSTRUCTION CONTRACT TO SAK CONSTRUCTION, LLC, IN THE AMOUNT OF $2,082,547.00 FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,082,547.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DUTY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH SAK CONSTRUCTION, LLC, AND TO PAY SAK CONSTRUCTION, LLC, AN AMOUNT NOT TO EXCEED $2,082,547.00 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, this contract will be for the rehabilitation of approximately 3,105 LF of 48-inch and 56 LF of 42-inch diameter cured-in-place pipe and associated manhole replacement and repairs; and

WHEREAS, work shall include but not be limited to the installation of all applicable appurtenances for the complete function of the wastewater mains; and

WHEREAS, this contract may be used to rehabilitate wastewater mains that have been identified by the Operations Department as in very poor condition; and

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

WHEREAS, SAK Construction, LLC, a non-local, non-SMWB contractor, is declared the lowest responsible bidder and has submitted the lowest responsible bid of $2,082,547.00 for the project work; and

WHEREAS, System funds in the amount of $2,082,547.00 are required for the project work; and
WHEREAS, the total amount of $2,082,547.00 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of SAK Construction, LLC, in the amount of $2,082,547.00 for the project work in connection with the Castroville Rd. 48-inch Rehab Project, DR #144, (ii) to award a construction contract to SAK Construction, LLC, in the amount $2,082,547.00 for the project work, (iii) to approve a total expenditure and make available an amount not to exceed $2,082,547.00 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 SAK Construction, LLC, and to pay SAK Construction, LLC, an amount not to exceed $2,082,547.00 for the project work; now, therefore:

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

1. That the bid of SAK Construction, LLC, in the amount of $2,082,547.00 for the project work in connection with the Castroville Rd. 48-inch Rehab Project, DR #144 is hereby accepted.

2. That a construction contract in the amount of $2,082,547.00 for the project work is hereby awarded to SAK Construction, LLC.

3. That a total sum not to exceed $2,082,547.00 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 SAK Construction, LLC and to pay SAK Construction, LLC, an amount not to exceed $2,082,547.00 for the project work in connection with the Castroville Rd. 48-inch Rehab Project, DR #144.

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

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

PASSED AND APPROVED this 14th day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE EAST SEWERSHED PACKAGE II PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $2,241,165.00 to Texas Pride Utilities, LLC, a non-local, MBE-Hispanic firm, in connection with the East Sewershed Package II Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree between the San Antonio Water System the 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 contract will be used to rehabilitate sewer mains that have been identified by the Operations Department as in very poor condition. These sewer mains will be rehabilitated using the cured-in-place pipe and pipe bursting.

- This contract will be for the rehabilitation of approximately 19,795 LF of 8-inch to 21-inch diameter sewer pipe by cured-in-place method and 6,590 LF of 8-inch to 21-inch diameter sewer pipe by pipe bursting method. Additionally, the manholes will be replaced/adjusted or rehabilitated. Open cut replacement is not anticipated under this contract.

- The attached resolution therefore finds that Texas Pride Utilities, LLC, has submitted the lowest responsible bid of $2,241,165.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $2,241,165.00 for wastewater related construction work under job number 16-4801.
SUPPLEMENTARY COMMENTS:

Lockwood Andrews & Newman, Inc., prepared the bid proposal and specifications for this project. The engineer’s estimated construction cost for this project is $3,123,080.00.

A bid opening was held on October 31, 2016, at 2:00 PM. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Pride Utilities, LLC*</td>
<td>$2,241,165.00</td>
<td>Non–Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Insituform Technologies, LLC</td>
<td>$2,732,219.00</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$3,123,080.00</td>
<td></td>
</tr>
<tr>
<td>SAK Construction, LLC</td>
<td>$3,518,115.00</td>
<td>Non–Local /Non–SMWB</td>
</tr>
<tr>
<td>Layne Inliner, LLC.</td>
<td>$3,602,617.50</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td>National Power Rodding Corp.</td>
<td>$3,861,042.10</td>
<td>Non–Local/SBE</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services Co., Inc.</td>
<td>$4,219,650.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>IPR South Central LLC**</td>
<td>$7,241,087.50</td>
<td>Local/Non–SMWB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

**Bidder submitted a price of $3,065,267.50; however, an error was discovered by staff when verifying bid amount.

The bid amount represents a 28.2 percent decrease from the estimated construction cost. This contract has 270 calendar days for construction completion. The System’s Engineering staff will inspect the work.
East Sewershed Package II

TEXAS PRIDE UTILITIES, LLC

SMWB ANALYSIS – BOARD AWARD

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>SBE</td>
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<tr>
<td>MBE – African American</td>
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<td>MBE – Other</td>
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<tr>
<td>WBE – Minority</td>
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<td>WBE – Non-Minority</td>
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</tr>
<tr>
<td>SMWB Total</td>
<td>94.65%</td>
</tr>
</tbody>
</table>

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 ACCEPTING THE BID OF TEXAS PRIDE UTILITIES, LLC, IN THE AMOUNT OF $2,241,165.00 IN CONNECTION WITH THE EAST SEWERSHED PACKAGE II CONSTRUCTION CONTRACT; AWARDING A CONSTRUCTION CONTRACT TO TEXAS PRIDE UTILITIES, LLC, IN THE AMOUNT OF $2,241,165.00 FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,241,165.00 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 TEXAS PRIDE UTILITIES, LLC, AND TO PAY TEXAS PRIDE UTILITIES, LLC, AN AMOUNT NOT TO EXCEED $2,241,165.00 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 contract will be for the rehabilitation of 8-inch to 21-inch diameter sewer pipe, approximately 19,795 LF by cured-in-place method and 6,590 LF by pipe bursting method including the replacement/adjustment or reconstruction of manholes; and

WHEREAS, work shall include but not be limited to the installation of all applicable appurtenances for the complete function of the wastewater mains; and

WHEREAS, this contract may be used to rehabilitate wastewater mains that have been identified by the Operations Department as in very poor condition; and

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

WHEREAS, Texas Pride Utilities, LLC, a non-local, MBE-Hispanic firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $2,241,165.00 for the project work; and

WHEREAS, System funds in the amount of $2,241,165.00 are required for the project work; and
WHEREAS, the total amount of $2,241,165.00 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Texas Pride Utilities, LLC, in the amount of $2,241,165.00 for the project work in connection with the East Sewershed Package II Construction Contract, (ii) to award a construction contract to Texas Pride Utilities, LLC, in the amount $2,241,165.00 for the project work, (iii) to approve a total expenditure and make available an amount not to exceed $2,241,165.00 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 Texas Pride Utilities, LLC, and to pay Texas Pride Utilities, LLC, an amount not to exceed $2,241,165.00 for the project work; now, therefore:

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

1. That the bid of Texas Pride Utilities, LLC, in the amount of $2,241,165.00 for the project work in connection with the East Sewershed Package II Construction Contract is hereby accepted.

2. That a construction contract in the amount of $2,241,165.00 for the project work is hereby awarded to Texas Pride Utilities, LLC.

3. That a total sum not to exceed $2,241,165.00 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 Texas Pride Utilities, LLC and to pay Texas Pride Utilities, LLC, the amount not to exceed $2,241,165.00 for the project work in connection with the East Sewershed Package II Construction Contract.

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

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

PASSED AND APPROVED this 14th day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE OLMOS BASIN CENTRAL WATERSHED SEWER RELIEF LINE (C-3) PROJECT – SEWER REHABILITATION AT THE UNIVERSITY OF INCARNATE WORD

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $2,132,891.23 to IPR South Central, LLC, a local, non-SMWB firm, in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word.

- 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 by the Sanitary Sewer Overflow (SSO) Reduction Team as being in poor condition due to deterioration and lacks sufficient capacity to handle future sewer flows due to growth and during peak storm events.

- The Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word includes the rehabilitation of approximately 4,100 linear feet of 15-inch, 18-inch, and 54-inch gravity sewer mains by cured-in-place pipe method.

- The Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word construction limits are within the University of Incarnate Word area which includes properties owned by the University, the Headwaters at Incarnate Word, and the Sisters of the Incarnate Word.

- This contract is the third and final construction package of the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project.
• IPR South Central, LLC, is now declared the lowest responsible bidder and has submitted the lowest responsible bid of $2,132,891.23.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2014 Capital Improvement Program. This project is included in the Wastewater Core Business, Main Replacements Category, the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Phase 3 budget line item. The total amount is $2,132,891.23 for sewer related construction work. The job number is 08-2512.

SUPPLEMENTARY COMMENTS:

Weston Solutions prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $3,260,717.00.

A bid opening was held on November 2, 2016, at 2:00 PM. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPR South Central, LLC*</td>
<td>$2,132,891.23</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Insituform Technologies, LLC</td>
<td>$2,238,343.00</td>
<td>Non–Local/Non–SMWB</td>
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<td>SAK Construction, LLC</td>
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<td>Atlas Construction, Corp.</td>
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<td>Lanzo Trenchless Technologies South</td>
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<td>Layne Inliner, LLC</td>
<td>$2,998,757.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
<tr>
<td><strong>Engineer’s Estimate</strong></td>
<td><strong>$3,260,717.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 34.6 percent decrease from the estimated construction cost. This contract has 180 days for construction completion. The System’s Engineering staff will inspect the work.
Award of Construction Contract
Olmos Basin Central Watershed Sewer Relief Line (C-3) Project
Sewer Rehabilitation at the University of Incarnate Word

Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word

IPR SOUTH CENTRAL, LLC

SMWB ANALYSIS – BOARD AWARD

<p>| | |</p>
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
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<tr>
<td>MBE – African American</td>
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<tr>
<td>WBE – Minority</td>
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<tr>
<td>WBE – Non–Minority</td>
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<td>SMWB Total</td>
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</table>

Kathleen M. Price, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

Attachments:
1. Project Area Map
2. Project Site Map
OLMOS BASIN CENTRAL WATERSHED SEWER RELIEF LINE (C-3) PROJECT - SEWER REHABILITATION AT THE UNIVERSITY OF INCARNATE WORD

LEGEND

- PROJECT LIMITS
- Edwards Aquifer Recharge Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF IPR SOUTH CENTRAL, LLC, IN THE AMOUNT OF $2,132,891.23 IN CONNECTION WITH THE OLMOS BASIN CENTRAL WATERSHED SEWER RELIEF LINE (C-3) PROJECT – SEWER REHABILITATION AT THE UNIVERSITY OF INCARNATE WORD; AWARDING A CONTRACT TO IPR SOUTH CENTRAL, LLC, IN THE AMOUNT OF $2,132,891.23 FOR THE PROJECT WORK; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $2,132,891.23 FOR THE PROJECT WORK; APPROVING TOTAL EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,132,891.23 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 IPR SOUTH CENTRAL, LLC, AND TO PAY IPR SOUTH CENTRAL, LLC, AN AMOUNT NOT TO EXCEED $2,132,891.23 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 replace and upgrade sewer facilities within the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word as part of its Capital Improvement Program;

WHEREAS, this project includes the rehabilitation with cured-in-place pipe of approximately 4,100 linear feet of 15-inch, 18-inch, and 54-inch gravity sewer mains at the University of Incarnate Word; and

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

WHEREAS, IPR South Central, LLC, a local, non-SMWB contractor, has submitted a bid in the amount of $2,132,891.23 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $2,132,891.23 are required for the project work; and
WHEREAS, the total amount of $2,132,891.23 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 accept the bid of IPR South Central, LLC in the amount of $2,132,891.23 for the project work in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word, (ii) to award a construction contract to IPR South Central, LLC, in the amount of $2,132,891.23 for the project work, (iii) to approve the expenditure of System funds in an amount of $2,132,891.23 for the project work, (iv) to approve a total expenditure in an amount not to exceed $2,132,891.23 from the System’s Project Fund for the project work, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with IPR South Central, LLC, for the project work and to pay an amount not to exceed $2,132,891.23 to IPR South Central, LLC, for the project work; now, therefore:

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

1. That the bid of IPR South Central, LLC, in the amount of $2,132,891.23 for the project work in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word, is hereby accepted.

2. That a construction contract in the amount of $2,132,891.23 for the project work is hereby awarded to IPR South Central, LLC.

3. That the expenditure of System funds in the amount of $2,132,891.23 for the project work is hereby approved.

4. That a total sum not to exceed $2,132,891.23 for the project work costs and related construction contingency expenses is hereby made available and is to be expended from the System’s Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with IPR South Central, LLC, for the project work and to pay the amount of $2,132,891.23 to IPR South Central, LLC, for the project work in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project – Sewer Rehabilitation at the University of Incarnate Word.

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 14th day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Michael L. Myers, 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 34TH STREET PUMP STATION IMPROVEMENTS PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $13,657,000.00 to Archer Western Contractors, LLC, a local/non-SMWB firm, in connection with the 34th Street Pump Station Improvements Project (the “project”).

- The San Antonio Water System (the “System”) has a multi-year program to rehabilitate and upgrade aging pump stations to comply with the Texas Commission on Environmental Quality requirements and American Water Works Association and Occupational Safety & Health Administration standards.

- The 34th Street Pump Station is programmed for rehabilitation and upgrades. The pump station is located at 3939 Flagle Street on the City of San Antonio’s west side adjacent to Zarzamora Creek. The station is over 50 years old and serves customers in Pressure Zones 3 and 4.

- The project includes the complete replacement of the electrical switchgear system, replacement of all existing low and medium voltage wiring, new Supervisory Control and Data Acquisition System controls, the complete replacement of the chlorine feed system with onsite generation of sodium hypochlorite system, upgrade of existing fluoride equipment, replacement of control valves, replacement of selective yard valves and piping, flow meters, fence replacement, paving, instrumentation, site security, lighting, and related appurtenances.

- Bids for the construction of this project have been solicited and Archer Western Constructors, LLC, has submitted the lowest responsible bid of $13,657,000.00.

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, 34th Street Pump Station Improvements Project. The total amount is $13,657,000.00 under job number 13-6004.

**SUPPLEMENTARY COMMENTS:**

Tetra Tech, Inc., prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $13,992,080.00.

A bid opening was held on October 27, 2016 at 2:00 PM. The following firms responded to the request for bids.

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<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archer Western Contractors, LLC*</td>
<td>$13,657,000.00</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$13,992,080.00</td>
<td></td>
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<tr>
<td>CYMI Industrial, Inc.</td>
<td>$19,972,500.00</td>
<td>Non–Local/Non–SMWB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 2.39 percent decrease from the estimated construction cost. The contract allows 451 calendar days for the completion of the work.

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

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<thead>
<tr>
<th>34th Street Pump Station Improvements Project</th>
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</thead>
<tbody>
<tr>
<td>ARCHER WESTERN CONTRACTORS, LLC</td>
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<tr>
<td>SMWB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
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<td>MBE – African American</td>
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<tr>
<td>MBE – Other</td>
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<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
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<tr>
<td>SMWB Total</td>
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</table>
Award of Construction Contract
34th Street Pump Station Improvements Project

Michael L. Myers, P.E.
Director
Plants and Major Projects

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 ARCHER WESTERN CONTRACTORS, LLC, IN THE AMOUNT OF $13,657,000.00 FOR THE CONSTRUCTION OF THE 34TH STREET PUMP STATIONS IMPROVEMENT PROJECT; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $13,657,000.00 TO ARCHER WESTERN CONTRACTORS, LLC FOR THE PROJECT WORK; APPROVING EXPENDITURES IN AN AMOUNT $13,657,000.00 FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT WITH ARCHER WESTERN CONTRACTORS, LLC, AND TO PAY ARCHER WESTERN CONTRACTORS, LLC, THE AMOUNT NOT TO EXCEED $13,657,000.00 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 San Antonio Water System (the “System”) has established a multi-year program to rehabilitate and upgrade aging pump stations to comply with the Texas Commission on Environmental Quality requirements, the American Water Works Association and the Occupational Safety & Health Administration safety standards; and

WHEREAS, the 34th Street Pump Station is located at 3939 Flagle Street on the City of San Antonio’s west side adjacent to Zarzamora Creek and is programmed for rehabilitation and upgrades; and

WHEREAS, the project work includes the complete replacement of electrical switchgear system, replacement of all existing low and medium voltage wiring, new Supervisory Control and Data Acquisition System controls, the complete replacement of chlorine feed system with onsite generation of sodium hypochlorite system, upgrade of existing fluoride equipment, replacement of control valves, replacement of selective yard valves and piping, flow meters, fence replacement, paving, instrumentation, site security, lighting, and related appurtenances; and

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

WHEREAS, Archer Western Contractors, LLC, a local/non-SMWB, is declared the lowest responsible bidder and has submitted the lowest responsible bid amount of $13,657,000.00 for the project work; and

WHEREAS, the total amount $13,657,000.00 is available from the System’s
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Archer Western Contractors, LLC, in the amount of $13,657,000.00 for the project work in connection with the 34th Street Pump Station Improvements Project, (ii) to award a construction contract to Archer Western Contractors, LLC, in the amount of $13,657,000.00 for the project work, (iii) to approve a total expenditure and make available an amount of $13,657,000.00 from the System’s Project Fund for the project work, and (vi) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Archer Western Contractors, LLC, and to pay the Archer Western Contractors, LLC an amount not to exceed $13,657,000.00, for the project work; now, therefore:

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

1. That the bid of Archer Western Contractors, LLC, in the amount of $13,657,000.00 for the project work in connection with the 34th Street Pump Station Improvements Project is hereby accepted.

2. That a construction contract in the amount of $13,657,000.00 for the project work is hereby awarded to Archer Western Contractors, LLC.

3. That the total amount not to exceed $13,657,000.00, 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 Archer Western Contractors, LLC, for the project work and to pay Archer Western Contractors, LLC the amount not to exceed $13,657,000.00 for the project work in connection with the 34th Street Pump Station Improvements 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 14th day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernest Arrellano, Jr., Secretary

DRAFT
TO: San Antonio Water System Board of Trustees

FROM: Michael L. Myers, 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 DOS RIOS WATER RECYCLING CENTER (WRC) ELECTRICAL SYSTEM IMPROVEMENTS – PHASE 1 PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $13,322,100.00 to Alterman, Inc., a local, non-SMWB firm, in connection with the Dos Rios Water Recycling Center (WRC) Electrical System Improvements – Phase 1 Project (the “project”). It also amends Resolution No. 14-175 by authorizing additional funds to CP&Y, Inc., in an amount not to exceed $197,295.00 for related construction phase services.

- The Dos Rios WRC was constructed in 1987. Much of the existing electrical infrastructure at the WRC is nearly 30 years old and has reached the end of its service life.

- An electrical assessment of the Dos Rios WRC was completed in 2012. The assessment investigated compliance with current codes and safety measures, and recommended upgrades and replacement to the electrical infrastructure including several substations, motor control centers and generators.

- The project will be done in multiple phases to minimize impact to plant operations and the Capital Improvement Program budget.

- The Phase 1 project will mainly address the plant’s high voltage electrical distribution system and electrical equipment that is in the poorest condition. The remaining phases will address the plant’s medium and low voltage electrical equipment.

- The Phase 1 project scope includes:
  - Replacement of the plant’s high voltage main electrical distribution system with a new underground raceway system, and the installation of a new main electrical switchgear building to house new electrical distribution equipment; and
  - Replacement of four substations, a motor control center and cables that supply electrical power to operate the first stage aeration blowers and an area of the
digester complex; and

- Replacement of two generators that supply standby power for the equipment that is located in the headworks area; and
- Associated civil, mechanical, structural, electrical, and instrumentation and controls work.

- Three bids for the construction of this project were received on October 14, 2016.
- CYMI Industrial, Inc., submitted the lowest bid price; however, CYMI Industrial, Inc., could not demonstrate similar experience with past projects and was unable to demonstrate that the Project Manager and Project Superintendent had sufficient experience with similar size and scope projects. As a result, CYMI Industrial, Inc., was deemed non-responsive to the project experience requirements.

- The Design Consultant, CP&Y, reviewed all projects submitted by CYMI Industrial, Inc., as well as the experience of the Project Manager and Project Superintendent and did not recommend CYMI Industrial, Inc., for this project. System staff reviewed the evaluation conducted by CP&Y and concurred with their recommendation.

- Alterman, Inc., submitted the second lowest price of $13,322,100.00. CP&Y reviewed Alterman, Inc.’s project experience and staff experience and recommended Alterman, Inc., for this project. System staff has reviewed the evaluation conducted by CP&Y and concurred with their recommendation and has determined that Alterman, Inc., is the lowest responsible bidder for this project.

- On July 1, 2014, the San Antonio Water System’s Board of Trustees adopted Resolution No. 14-175, which authorized a professional services contract with CP&Y, Inc., in the amount of $998,221.25 to provide professional engineering design services in connection with the project.

- CP&Y, Inc., has provided additional design phase services not included in the original scope. Construction services were utilized to pay for these additional design services. The total required funding to replenish monies in construction phase services is $197,295.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the 2015 Capital Improvement Program. This project is included in the Wastewater Core Business, Treatment Category, Dos Rios WRC Electrical System Improvements – Phase 1 project. The total amount is $13,519,395.00 under job number 14-6504.
SUPPLEMENTARY COMMENTS:

CP&Y, Inc., prepared the bid proposal and specifications for this project. The engineer’s estimated construction cost for this project is $14,667,000.00.

A bid opening was held on October 14, 2016 at 2:00 PM. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>CYMI Industrial, Inc.**</td>
<td>$11,796,200.00</td>
<td>Non-Local/Non-SMWB</td>
</tr>
<tr>
<td>Alterman, Inc.*</td>
<td>$13,322,100.00</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Lambda Construction Co.</td>
<td>$14,533,570.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$14,667,000.00</td>
<td></td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder  
**Non-Responsive Bidder

The bid amount represents a 9.17 percent decrease from the estimated construction cost. The contract allows 600 calendar days for the completion of the work. The System’s Engineering staff will inspect the work.

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

<table>
<thead>
<tr>
<th>Dos Rios Water Recycling Center Electrical System Improvements – Phase I Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALTERMAN, INC.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMWB ANALYSIS – BOARD AWARD</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>17.96%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.63%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td><strong>18.59%</strong></td>
</tr>
</tbody>
</table>

The following is a summary of the planned future improvements:

Phase 2: This phase will include the Primary Clarifiers and First Stage Aeration areas. The estimated construction cost is $18,000,000.00 planned for 2019.

Phase 3: This phase will include the Second Stage Aeration and Main Blowers areas. The estimated construction cost is $15,000,000.00 planned for 2022.
Phase 4: This phase will include the remaining areas of the digester, Solids Handling, Effluent Filters, Chlorine Contact Chambers and Disinfection areas. The estimated construction cost is $10,500,000.00 planned for 2025.

*Costs are in 2016 dollars; estimates are preliminary.

Michael L. Myers, 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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF ALTERMAN, INC., IN THE AMOUNT OF $13,322,100.00 FOR THE CONSTRUCTION OF THE DOS RIOS WATER RECYCLING CENTER (WRC) ELECTRICAL SYSTEM IMPROVEMENTS – PHASE 1 PROJECT; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $13,322,100.00 TO ALTERMAN, INC., FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $13,322,100.00 FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK; AMENDING RESOLUTION NO. 14-175 BY AUTHORIZING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $197,295.00 TO CP&Y, INC., FOR CONSTRUCTION PHASE SERVICES; AUTHORIZING TOTAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $13,519,395.00 FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK AND CONSTRUCTION PHASE SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH ALTERMAN, INC., AND TO PAY ALTERMAN, INC., THE AMOUNT OF $13,322,100.00 FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY AN ADDITIONAL AMOUNT NOT TO EXCEED $197,295.00 TO CP&Y, INC. FOR THE CONSTRUCTION PHASE SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Dos Rios Water Recycling Center (WRC) was constructed in 1987; and

WHEREAS, much of the existing electrical infrastructure at the Dos Rios WRC is nearly 30 years old and has reached the end of its service life; and

WHEREAS, an electrical assessment, completed in 2012, of the Dos Rios WRC investigated compliance with current codes and safety measures, and recommended upgrades and replacement to the electrical infrastructure including several substations, motor control centers and generators; and
WHEREAS, the Dos Rios Water Recycling Center (WRC) Electrical System Improvements – Phase 1 Project (the “project”) will mainly address the plant’s high voltage electrical distribution system and electrical equipment that is in the poorest condition, and the remaining phases will address the plant’s medium and low voltage electrical equipment; and

WHEREAS, the project scope includes replacement of the plant’s high voltage main electrical distribution system with a new underground raceway system, and the installation of a new main electrical switchgear building to house new electrical distribution equipment; replacement of four substations, a motor control center and cables that supply electrical power to operate the first stage aeration blowers and a portion of the digester complex; replacement of two generators that supply standby power for the equipment that is located in the headworks area, and associated civil, mechanical, structural, electrical, and instrumentation and controls work; and

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

WHEREAS, Alterman, Inc., a local, non-SMWH, is declared the lowest responsible bidder and has submitted the lowest responsible bid of $13,322,100.00 for the project work; and

WHEREAS, on July 1, 2014, the System’s Board of Trustees adopted Resolution No. 14-175, which authorized a professional services contract with CP&Y, Inc., in the amount of $998,221.25 to provide professional engineering design services in connection with the project; and

WHEREAS, additional System funds are needed in the amount of $197,295.00 payable to CP&Y, Inc., for related construction phase services; and

WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to accept the bid of Alterman, Inc., for a construction contract in the amount of $13,322,100.00 for the project work in connection with the Dos Rios Water Recycling Center (WRC) Electrical System Improvements – Phase 1 Project, (ii) to award a construction contract in the amount of $13,322,100.00 to Alterman, Inc., for the project work, (iii) to authorize System funds in an amount not to exceed $13,322,100.00 for the project work, (iv) to amend Resolution No. 14-175 by authorizing additional funds to CP&Y, Inc., in the amount not to exceed $197,295.00 for related construction phase services, (v) to make available a total amount not to exceed $13,519,395.00 from the System’s Project Fund for the project work and related construction phase services, (vi) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Alterman, Inc., and to pay the amount of $13,322,100.00 for the project work, and (vii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay an amount not to exceed $197,295.00 to CP&Y, Inc., for related construction phase services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:
1. That the bid of Alterman, Inc., in the amount of $13,322,100.00 for the project work in connection with the Dos Rios Water Recycling Center (WRC) Electrical System Improvements – Phase 1 Project is hereby accepted.

2. That a construction contract in the amount of $13,322,100.00 for the project work is hereby awarded to Alterman, Inc.

3. That the expenditure of System funds in the amount of $13,322,100.00 for the project work is hereby authorized and approved.

4. That Resolution No. 14-175 with CP&Y, Inc., is hereby amended by authorizing additional expenditures for related construction phase services in an amount not to exceed $197,295.00 from the previous funding authorization of $998,221.25 to a total authorization of $1,195,516.25.

5. That a total sum not to exceed $13,519,395.00 for the project work and construction phase services is hereby made available, and is to be expended from the System’s Project Fund.

6. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with Alterman, Inc., for the project work, and to pay the amount of $13,322,100.00 to Alterman, Inc., for the project work in connection with the Dos Rios WRC Electrical System Improvements – Phase 1 Project.

7. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay to CP&Y, Inc., an additional amount not to exceed $197,295.00 for construction phase services in connection with the Dos Rios WRC Electrical System Improvements – Phase 1 Project.

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

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

10. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 14th day of December, 2016.

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Michael L. Myers, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President Engineering & Construction
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AWARD OF ENGINEERING CONTRACT IN CONNECTION WITH THE WATER RESOURCES INTEGRATION PROGRAM, PHASE 2 PUMP STATION IMPROVEMENTS PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services engineering contract to Tetra Tech, Inc., a local, non-SMWB firm, and authorizes funds in the amount of $3,293,337.00 for the Water Resources Integration Program (WRIP), Phase 2 Pump Station Improvements Project.

- The San Antonio Water System (the “System”) identified the WRIP in the 2012 Water Management Plan Update. The WRIP will deliver water from the Aquifer Storage and Recovery (ASR) Facility, Local Carrizo and Brackish Desalination programs to new and existing facilities in western and northwestern Bexar County.

- The WRIP consists of approximately 45 miles of transmission main beginning at the high service pump station located at the Twin Oaks/ASR Facility in south Bexar County, to the Old Pearsall Road Pump Station, and terminating at the Anderson Pump Station.

- Phase I of the WRIP is currently completing construction and includes the construction of the Twin Oaks/ASR West Pump Station and Old Pearsall Road Pump Station and approximately 28 miles of water transmission main between the two pump stations. Phase 2 will consist of an additional 17 miles of transmission main, beginning at the Old Pearsall Road Pump Station and terminating at the existing Anderson Pump Station, and will include upgrades to the Twin Oaks West, Old Pearsall Road, and Anderson Pump Stations.

- A Request for Qualifications was issued on April 19, 2016 for professional services for this project. The System received three qualification statements and Tetra Tech, Inc., a local, non-SMWB firm was selected through the Architect/Engineer selection process.

- Basic services to be provided include standard professional engineering services related to the design of the pump station, booster station and ground storage tanks, surveying, geotechnical investigations, electrical design, and system instrumentation and control design, and updating the hydraulic analysis to include the operation of the Phase 1
transmission, storage, and pumping facilities. Basic services will be provided for a lump sum fee of $2,910,424.00.

- Supplemental services are defined as necessary project work for which total quantities cannot be readily accounted. These services include Property Acquisition, Additional surveying and SUE, Witness Factory Testing, Vibration Testing and Analysis, Acoustical Analysis and Testing, TWDB Funding Support and Design of New Electrical Building supplemental services and will be provided for a fee not to exceed $382,913.00.

- The total fee for engineering services will not exceed $3,293,337.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure from the CY 2015 Capital Improvement Program. The project work is included in the Water Delivery Core Business, Water Resources Integration Program, Phase 2 Pump Station Improvements Project budget line. The amount is $3,293,337.00 and the job number for this project is 16-8604-220.

**SUPPLEMENTARY COMMENTS:**

The three firms that provided qualification statements for this project are listed below:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black &amp; Veatch, Inc</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>HDR Engineering, Inc.</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td><strong>Tetra Tech, Inc.</strong></td>
<td><strong>Local/Non–SMWB</strong></td>
</tr>
</tbody>
</table>

*Selected Firm

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

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arias and Associates</td>
<td>0.90%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Freese &amp; Nichols, Inc.</td>
<td>29.20%</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>GNA Architecture</td>
<td>1.50%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Gupta &amp; Associates, Inc.</td>
<td>17.50%</td>
<td>Non–Local/MBE–Asian</td>
</tr>
<tr>
<td>KLS Water Support, LLC</td>
<td>3.00%</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Maverick Land Surveying, Co.</td>
<td>3.70%</td>
<td>Non–Local/SBE</td>
</tr>
<tr>
<td>RGM Engineering</td>
<td>0.80%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Structural Engineering Associates</td>
<td>4.30%</td>
<td>Local/MBE–Hispanic</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>WRIP, Phase 2 Pump Station Improvements Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>TETRA TECH, INC.</td>
</tr>
<tr>
<td>SMWB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE–African American</td>
</tr>
<tr>
<td>MBE–Asian</td>
</tr>
<tr>
<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>

Approved:

Michael L. Myers, 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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF TETRA TECH, INC., IN AN AMOUNT NOT TO EXCEED $3,293,337.00 FOR THE WATER RESOURCES INTEGRATION PROGRAM, PHASE 2 PUMP STATION IMPROVEMENTS PROJECT; AWARDING A PROFESSIONAL SERVICES CONTRACT TO TETRA TECH, INC., IN AN AMOUNT NOT TO EXCEED $3,293,337.00 IN CONNECTION WITH THE DESIGN PHASE OF THE PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $3,293,337.00 FROM THE SYSTEM’S PROJECT FUND FOR THE DESIGN PHASE OF THE PROJECT ENGINEERING SERVICES IN CONNECTION WITH THIS PROJECT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH TETRA TECH, INC., AND TO PAY TETRA TECH, INC., AN AMOUNT NOT TO EXCEED $3,293,337.00 FOR THE PRELIMINARY ENGINEERING REPORT PHASE OF THE PROJECT ENGINEERING 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, the San Antonio Water System (the “System”) identified the Water Resources Integration Program (WRIP) in the 2012 Water Management Plan Update; and

WHEREAS, the WRIP will deliver water from the Aquifer Storage and Recovery (ASR) Facility, Local Carrizo and Brackish Desalination programs to new and existing facilities in western and northwestern Bexar County; and

WHEREAS, the WRIP consists of approximately 45 miles of transmission main beginning at the high service pump station located at the Twin Oaks/ASR Facility in south Bexar County, to the Old Pearsall Road Pump Station, and terminate at the Anderson Pump; and

WHEREAS, Phase I of the WRIP is currently completing construction and includes the construction of the Twin Oaks/ASR West Pump Station and Old Pearsall Road Pump Station and approximately 28 miles of water transmission main between the two pump stations; and
WHEREAS, Phase 2 will consist of an additional 17 miles of transmission main, beginning at the Old Pearsall Road Pump Station and terminating at the existing Anderson Pump Station, and will include upgrades to the Twin Oaks West, Old Pearsall Road, and Anderson Pump Stations; and

WHEREAS, a Request for Qualifications was issued on April 19, 2016 for professional services for this project; and

WHEREAS, the System received three qualification statements and Tetra Tech, Inc., a local, non-SMWB firm was selected through the Architect/Engineer selection process; and

WHEREAS, basic services to be provided include standard professional engineering services related to the design of the pump station, booster station and ground storage tanks, surveying, geotechnical investigations, electrical design, and system instrumentation and control design, and updating the hydraulic analysis to include the operation of the Phase 1 transmission, storage, and pumping facilities; and

WHEREAS, basic services will be provided for a lump sum fee of $2,910,424.00; and

WHEREAS, supplemental services are defined as necessary project work for which total quantities cannot be readily accounted; and

WHEREAS, these services include Property Acquisition, Additional Surveying and SUE, Witness Factory Testing, Vibration Testing and Analysis, Acoustical Analysis and Testing, TWDB Funding Support and Design of New Electrical Building supplemental services and will be provided for a fee not to exceed $382,913.00; and

WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to accept the proposal of Tetra Tech, Inc., in an amount not to exceed $3,293,337.00 for the design phase of the project engineering work in connection with the Water Resources Integration Program, Phase 2 Pump Station Improvements Project, (ii) to award a professional engineering services contract to Tetra Tech, Inc., in an amount not to exceed $3,293,337.00 for the project engineering work, (iii) to authorize the expenditure of System funds in an amount not to exceed $3,293,337.00 for the design phase of the project engineering work, (iv) to make available a total amount not to exceed $3,293,337.00 from the System’s Project Fund for the preliminary engineering report phase of the project engineering work, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Tetra Tech, Inc., and to pay an amount not to exceed $3,293,337.00 to Tetra Tech, Inc., for the design phase of the project engineering work in connection with this project; now, therefore:

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

1. That the proposal of Tetra Tech, Inc., for the project engineering work in connection with the Water Resources Integration Program, Phase 2 Pump Station Improvements Project is hereby authorized and accepted.
2. That a professional services contract in an amount not to exceed $3,293,337.00 is hereby awarded to Tetra Tech, Inc., for the project engineering work in connection with the project.

3. That the expenditure of System funds in an amount not to exceed $3,293,337.00 for the project engineering work is hereby approved.

4. That an amount not to exceed $3,293,337.00 for the project engineering work is hereby made available, and is to be expended from the System's Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract for engineering services with Tetra Tech, Inc., and to pay an amount not to exceed $3,293,337.00 to Tetra Tech, Inc., for the project engineering work provided in connection with this project.

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

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. That this resolution shall become effective upon its passage.

PASSED AND APPROVED the 14th day of December, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Daniel G. Myers, P.E., Project Manager, Sewer System Improvements, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE CHILLED WATER SYSTEM COMMUNICATION AND CONTROLS REPLACEMENT PROJECT

Board Action Date: December 14, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $2,195,332.00 to Prime Controls, LP, a local, non-SMWB firm, in connection with the Chilled Water System Communication and Controls Replacement Project (the “project”). It also amends Resolution No. 14-151 by authorizing additional funds to Energy Engineering Associates, Inc., in an amount not to exceed $141,344.00 for related construction phase services.

- The Commerce Street Cooling Plant and Cherry Street Cooling Plant No. 2 use a radio communication system and an Energy Management System (EMS) to monitor and collect chilled water consumption information from the customer meters. This information is used for billing customers and for regulating the chiller controls to supply chilled water system demands.

- A Supervisory Control and Data Acquisition (SCADA) master plan was completed in 2013. The master plan recommended the replacement of the existing chilled water radio communication, meters, EMS, and chiller control systems. This equipment does not meet current San Antonio Water System (SAWS) standards, is outdated and difficult to support.

- The project includes the removal and replacement of the radio communication, meters, EMS, and chiller control systems.

- The Competitive Sealed Proposal procurement method was used to select the construction contractor. This method allows selection of a contractor on a “best value” method, rather than accepting the low bid exclusively. Prime Controls, L.P., submitted the best value and the most qualifying proposal for $2,195,332.00.

- On June 17, 2014, the SAWS Board of Trustees adopted Resolution No. 14-151, which authorized a professional services contract with Energy Engineering Associates, Inc., in the amount of $175,419.00 to provide professional engineering design services in connection with the project. On June 16, 2016 Administrative Amendment No. 1 was authorized for $8,163.50 which brought the total amount to $183,582.50.
SAWS staff will provide daily inspection and document support. Energy Engineering Associates, Inc., will provide additional construction phase services that will include observing critical field activities, construction coordination, and leading the start-up and commissioning upon completion of each work site. Required funding for these services is a not to exceed a fee of $141,344.00 which was not included in the original scope.

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 Chilled Water Core Business, Chilled Water Category, Chilled Water System Communication and Controls Replacement project. The total amount is $2,336,676.00 under job number 14-7502.

SUPPLEMENTARY COMMENTS:

SAWS received two proposals from the following firms:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>BEST VALUE SCORE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,996,155.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime Controls, L.P.*</td>
<td>$2,195,332.00</td>
<td>90.95</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Control Panels USA, Inc.</td>
<td>$2,650,000.00</td>
<td>62.05</td>
<td>Non-Local/Non-SMWB</td>
</tr>
</tbody>
</table>

*Best Value Proposal

The contract allows 212 calendar days for the completion of the work. The bid amount represents a 9.98 percent increase from the estimated construction cost.

Prime Controls, L.P., a local, non-SMWB firm, provides the best value to SAWS based on the following Evaluation Criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Background, Experience and Past Performance</td>
<td>30%</td>
</tr>
<tr>
<td>b. Project Approach/Team Experience</td>
<td>10%</td>
</tr>
<tr>
<td>c. Price</td>
<td>50%</td>
</tr>
<tr>
<td>d. SMWB participation</td>
<td>10%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Prime Controls, L.P., has proposed to subcontract 42.00 percent of the work to SMWB firms.

<table>
<thead>
<tr>
<th>Chilled Water System Communication and Controls Replacement Project</th>
</tr>
</thead>
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<td><strong>PRIME CONTROLS, L.P.</strong></td>
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<td><strong>SMWB ANALYSIS – BOARD AWARD</strong></td>
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<td><strong>SBE</strong></td>
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<td><strong>MBE–African American</strong></td>
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<td><strong>MBE–Asian</strong></td>
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<td><strong>MBE–Hispanic</strong></td>
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<td><strong>WBE–Minority</strong></td>
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<td><strong>WBE–Non–Minority</strong></td>
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<td><strong>SMWB Total</strong></td>
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Daniel G. Myers, P.E.  
Project Manager, Sewer System Improvements

Jeffrey J. Haby, P.E.  
Vice President, Production and Treatment

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

CHILLED WATER SYSTEM COMMUNICATION AND
CONTROLS REPLACEMENT

LEGEND
★ PROJECT SITE
Edwards Aquifer Recharge Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF PRIME CONTROLS, L.P., IN THE AMOUNT OF $2,195,332.00 FOR THE CONSTRUCTION OF THE CHILLED WATER SYSTEM COMMUNICATION AND CONTROLS REPLACEMENT PROJECT; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $2,195,332.00 TO PRIME CONTROLS, L.P, FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,195,332.00 FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK; AMENDING RESOLUTION NO. 14-151 BY AUTHORIZING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $141,344.00 TO ENERGY ENGINEERING ASSOCIATES, INC., FOR CONSTRUCTION PHASE SERVICES; AUTHORIZING TOTAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $2,336,676.00 FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK AND CONSTRUCTION PHASE SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH PRIME CONTROLS, L.P., AND TO PAY PRIME CONTROLS, L.P., THE AMOUNT OF $2,195,332.00 FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY AN ADDITIONAL AMOUNT NOT TO EXCEED $141,344.00 TO ENERGY ENGINEERING ASSOCIATES, INC., FOR THE CONSTRUCTION PHASE SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, a Supervisory Control and Data Acquisition (SCADA) master plan was completed in 2013 that recommended the replacement of the existing chilled water radio communication, meters, Emergency Management System (EMS) and chiller control systems; and

WHEREAS, the Chilled Water System Communication and Controls Replacement Project (the “Project”) includes the removal and replacement of the radio communication, meters, EMS, and chiller control systems; and
WHEREAS, the Competitive Sealed Proposal procurement method was used to select the construction contractor allowing the selection of a contractor on a “best value” method, instead of a low bid method; and

WHEREAS, a Competitive Sealed Proposal for the Project was advertised, and Prime Controls, L.P., a local, non-SMWB firm, submitted the best value and the most qualifying proposal for $2,195,332.00; and

WHEREAS, on June 17, 2014, the San Antonio Water System’s (the “System”) Board of Trustees adopted Resolution No. 14-151, which authorized a professional services contract with Energy Engineering Associates, Inc., in the amount of $175,419.00 to provide professional engineering design services in connection with the project; and

WHEREAS, on June 16, 2016 Administrative Amendment No. 1 in the amount of $8,163.50 was approved, which increased the total professional services contract to $183,582.50; and

WHEREAS, the System’s staff will provide daily inspection and document support, and Energy Engineering Associates, Inc., will provide additional construction phase services that will include observing critical field activities, construction coordination, and leading the start-up and commissioning upon completion of each work site; and

WHEREAS, System funds in the amount of $141,344 is required for the additional construction phase services; and

WHEREAS, required funding for the project work and additional construction phase services is $2,336,676.00, and is available in the System’s Project Fund; and

WHEREAS, the San Antonio Water System’s Board of Trustees desires to (i) accept the bid of Prime Controls, L.P., for a construction contract in the amount of $2,195,332.00 in connection with the Chilled Water System Communication and Controls Replacement Project, (ii) award a construction contract in the amount of $2,195,332.00 to Prime Controls, L.P., for the project work, (iii) authorize System funds in an amount not to exceed $2,195,332.00 for the project work, (iv) amend Resolution No. 14-151 by authorizing additional funds to Energy Engineering Associates, Inc., in the amount not to exceed $141,344.00 for related construction phase services, (v) make available a total amount not to exceed $2,336,676.00 from the System’s Project Fund for the project work and related construction phase services, (vi) authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Prime Controls, L.P., and to pay the amount of $2,195,332.00 for the project work, and (vii) authorize the President/Chief Executive Officer or his duly appointed designee to pay an amount not to exceed $141,344.00 to Energy Engineering Associates, Inc., for related construction phase services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:
1. That the bid of Prime Controls, L.P., in the amount of $2,195,332.00 for the project work in connection with the Chilled Water System Communication and Controls Replacement Project is hereby accepted.

2. That a construction contract in the amount of $2,195,332.00 for the project work is hereby awarded to Prime Controls, L.P.

3. That the expenditure of System funds in the amount of $2,195,332.00 for the project work is hereby authorized and approved.

4. That Resolution No. 14-151 is hereby amended by authorizing additional expenditures for related construction phase services payable to Energy Engineering Associates, Inc., in an amount not to exceed $141,344.00 from the previous funding authorization of $183,582.50 to a total authorization of $324,926.50.

5. That a total sum not to exceed $2,336,676.00 for the project work and construction phase services is hereby made available, and is to be expended from the System's Project Fund.

6. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with Prime Controls, L.P., for the project work, and to pay the amount of $2,195,332.00 to Prime Controls, L.P., in connection with the Chilled Water System Communication and Controls Replacement Project.

7. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay to Energy Engineering Associates, Inc., an additional amount not to exceed $141,344.00 for construction phase services in connection with the Chilled Water System Communication and Controls Replacement Project.

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

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

10. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 14th day of December, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary