AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
June 5, 2018, 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 April 3, 2018.


5. Public Comment.

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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 210-233-3537 or 711 (Texas Relay Service for the Deaf).
CONSENT AGENDA ITEMS

Items 6 – 17

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 Teqsys, Inc. to provide: Netbackup appliances (State of Texas DIR-TSO 3926), Bid No. 18-18061, for a total of $169,404.00.

2. Approving a one-time purchase from Kusters Zima Corporation to provide: four each mechanically cleaned bar screens with multiple rake blades for the Dos Rios WRC, Bid No. 18-18047, for a total of $491,895.01.

3. Approving a one-time purchase from Kyrish Truck Centers, LLC to provide: eight each 50,000 GVWR, cab and chassis (single cab) trucks with installed 10 cubic yard (water level) dump body, Bid No. 18-18048, for a total of $828,000.00.

4. Approving a one-time purchase from Grapevine Dodge, Chrysler, Jeep to provide: six each 6,300 GVWR, (minimum) 4x2 wide and short bed (no outside fenders) extended club, double, super cab pickup trucks, Bid No. 18-18049, Item 1, for a total of $135,810.00.

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

1. Acceptance of the single source bid of CB Solutions, LP to provide: annual contract for instrumentation calibration services, Bid No. 18-8042, for a total of $268,163.00.

2. Acceptance of the bid of New Earth, Inc. to provide: annual contract for supply of topsoil, Bid No. 18-14070, for a total of $548,090.00.

3. Authorizing additional funds to an existing contract with Dahill Office Technology Corporation to provide: annual contract for multi-functional fax/scan/printing/copy equipment and wide format printing equipment, Bid No. 15-5039, for a total of $128,742.00.
4. Acceptance of the single source bid of CB Solutions, LP to provide: annual contract for Endress & Hauser ultrasonic flow meters, Bid No. 18-16021, for a total of $211,606.00.

5. Acceptance of the single source bid of Macaulay Controls Company to provide: annual contract for multi-point gas detectors, sensors & other related miscellaneous supplies, Bid No. 18-1213A, for a total of $218,070.00.

6. Acceptance of the single source bid of Macon Concrete Products, Inc. to provide: biennial contract for precast concrete thrust blocks, Bid No. 18-0389A, for a total of $115,000.00.

7. Acceptance of the bid of Core & Main, LP to provide: annual contract for SDR-26 PVC pipe & fittings, Bid No. 18-0155, for a total of $155,535.00.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts


8. A Resolution approving the expenditure of funds in an amount not to exceed $144,382.54 to KB Homes Lone Star, Inc. for permanent water line easements in connection with the Evans Road 24-Inch Water Main Extension Project. (ANDREA BEYMER – TRACEY LEHMANN)

Water and Sewer Line Improvements

9. A Resolution awarding a construction contract to Cruz Tec, Inc. in an amount not to exceed $765,988.25 in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

10. A Resolution approving Change Order No. 2 in an amount not to exceed $140,732.10 to the construction contract with Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in connection with the DR 999-1002 Rehabilitation Package Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)
REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

11. A Resolution approving an Interlocal Agreement with the Texas Department of Transportation for reimbursement of funds in the amount of $173,816.60 for water and sewer facility adjustments by the Texas Department of Transportation in connection with the IH-10: Bexar County Line to Fair Oaks Parkway Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

EASEMENT AND REAL PROPERTY

12. A Resolution authorizing the expenditure of funds in the amount of $148,000.00 for possession by the System of the foregoing described easement during the pendency of litigation between the San Antonio Water System and John J. Toomey, Individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP in connection with the condemnation of the temporary sewer construction easement containing approximately 0.208 of an acre located at 2119 Northeast Loop 410, in San Antonio, Bexar County, Texas, owned by John J. Toomey, Individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP in connection with the E-19: Seguin Rd to Nacogdoches Rd – Segment 2 Project. (NANCY BELINSKY – BRUCE HABY)

WATER RESOURCES ITEMS

13. A Resolution approving the acquisition of 40.0 acre-feet per annum of permitted Edwards Aquifer Groundwater Rights from Dietrich J. Gembler III and Barbara Gembler for the purchase price of $200,000.00. (DONOVAN BURTON – DARREN THOMPSON)

MISCELLANEOUS ITEMS

14. A Resolution approving a Release and Settlement Agreement with Pape-Dawson Engineers, Inc. in the amount of $450,000.00 in connection with work related to the Southwest Bexar Sewer Pipeline Project. (STEVE CLOUSE – ANDREA BEYMER)

15. A Resolution approving the extension of a contract with HDR Engineering, Inc. for the period ending December 31, 2019 for additional program management services in connection with the Sanitary Sewer Overflow Reduction Program. (STEVE CLOUSE – JEFF HABY)

16. A Resolution approving the extension of a contract with New Earth, Inc. in an amount not to exceed $1,918,400.00 for the period of June 14, 2018 through June 13, 2019 in connection with composting and marketing biosolids. (JEFF HABY – PARVIZ CHAVOL)
17. A Resolution approving an agreement with Bluebonnet Electric Cooperative in an amount not to exceed $1,540,858.18 in connection with the design and construction of electrical power service for the Vista Ridge Regional Supply High Service Pump Station and Well Field Facilities 1, 2, and 3. (DONOVAN BURTON – MARTY JONES)

ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

18. 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). (ANDREA BEYMER – TRACEY LEHMANN)

<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>
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<th>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
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<td>River Rock Ranch</td>
<td>Green Land Ventures, LTD</td>
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<tr>
<td>2</td>
<td>Palo Alto Trails II</td>
<td>Saddle Creek Real Estate, LLC</td>
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<td>200</td>
<td>197</td>
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Water and Sewer Line Improvements

19. A Resolution awarding a construction contract to SAK Construction, LLC in an amount not to exceed $3,783,355.00 in connection with the Eastern Sewershed Package IV Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

20. A Resolution approving an Advance Funding Agreement with the Texas Department of Transportation; authorizing expenditures in an amount not to exceed $3,934,856.34 for the adjustments of water and sewer facilities in connection with the Loop 1604: from US 281 to FM 1303 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)
21. A Resolution awarding a construction contract to Weisinger Incorporated in an amount not to exceed $4,119,500.00 in connection with the Turtle Creek No. 3 Well Drilling Project. (ANDREA BEYMER – MICHAEL MYERS)

MISCELLANEOUS ITEMS

22. A Resolution awarding task order contracts to various firms in an amount not to exceed $6,000,000.00 in connection with information technology consulting and technical support services. (DOUG EVANSON – SREE PULAPAKA)

23. A Resolution recommending the authorization by City Council of a one-time fee of $912.00 per ton hour of demand to reserve permanent capacity for new customers in the San Antonio Water System Downtown Chilled Water System; authorizing the Board to negotiate the terms of payment of the fee with each customer, and amending Chapter 34 of the City Code effective immediately. (DOUG EVANSON)

24. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Vista Ridge Project
   B. Briefing and deliberation regarding recent debt transactions

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

26. The Regular Session of the June 5, 2018, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed pursuant to Section §551.071 of the Texas Open Meetings Act.

27. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding legal matters related to the provision of water services in Kendall County and the imposition of certain conditions related to City of San Antonio ordinances, pursuant to §551.071, Texas Government Code.

   B. Consultation with attorneys regarding pending litigation in Case No. 5:12-cv-00620-OLG in the United States District Court for the Western District of Texas - San Antonio Division; League of United Latin American Citizens, et al., vs. Edwards Aquifer Authority pursuant to §551.071, Texas Government Code.
C. Consultation with attorneys regarding advice on legal matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, pursuant to §551.071, Texas Government Code.

28. The Regular Session of the Regular Board Meeting of June 5, 2018, is hereby reconvened.

29. A Resolution approving a Utility Service Agreement (USA) to provide water services to the specified 374.86 acre tract of land in Kendall County, Texas, subject to certain conditions precedent; terminating the existing USA and rescinding Resolution No. 18-072 upon the execution of the new USA.

(ANDREA BEYMER – TRACEY LEHMANN)

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<tr>
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<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
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<th>Board Reason</th>
<th>W CCN</th>
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<td>CCN</td>
<td>OUTSIDE</td>
<td>OUTSIDE</td>
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30. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JUNE 5, 2018, IS HEREBY ADJOURNED.
MINUTES
MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
April 3, 2018, 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
Ron Nirenberg, Mayor
Pat Jasso, Vice Chair
Amy Hardberger, Secretary
Pat Merritt, Assistant Secretary
David P. McGee, Trustee
Eduardo Parra, Trustee

Board Members Absent:
None

Swearing in of individuals appointed to the San Antonio Water System Board of Trustees (Leticia M. Vacek, San Antonio City Clerk)

Chairman Guerra introduced Amy Hardberger and Eduardo Parra and welcomed them to the Board. On behalf of the Board and the entire staff, Chairman Guerra thanked Ms. Hardberger and Mr. Parra for continuing to serve the community.

Ms. Hardberger stated she was excited and honored, and she looked forward to serving.

Mr. Parra stated he was happy to be there and looked forward to serving with the Board.

Mayor Nirenberg also welcome Ms. Hardberger and Mr. Parra to the Board. SAWS was a critical agency for the citizens in San Antonio and really throughout Texas. He appreciated their service, hard work and attention already made to this commitment. He commented on the confirmation of City Council Meetings that showed how critically important this body was and the seriousness by which everyone took the role.
Amy Hardberger, Eduardo Parra and David McGee were sworn in as members to the San Antonio Water System Board of Trustees by Leticia Vacek, City Clerk for the City of San Antonio.

1. **MEETING CALLED TO ORDER.**

The meeting of the San Antonio Water System Board of Trustees was held on April 3, 2018, and called to order at 9:22 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. **Nomination and Election of Officers for the San Antonio Water System Board of Trustees. (BERTO GUERRA, JR., CHAIRMAN)**

Chairman Guerra stated Item 3 was the nomination and election of officers for the SAWS Board of Trustees. Trustees Arrellano and Rowe served as secretary and assistant secretary for the Board. With these positions open, he moved to nominate Amy Hardberger to serve as secretary and Pat Merritt to serve as assistant secretary, and to reaffirm and nominate Pat Jasso to serve as vice chair. Mr. McGee seconded the motion.

After no further discussion, Item 3 was unanimously approved. Verbal voting.

4. **Minutes.**

A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of February 6, 2018.

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

5. **Ceremonial and Recognition Items.**

None

6. **Public Comment.**

Terry Burns stated he was chair of the Alamo Sierra Club. He thanked the new and returning Board Members for their willingness to serve and to make wise decisions governing the management of water resources. He stated the Alamo Sierra Club continued to call for a comprehensive public status report on the Vista Ridge project, and commented on the sale of water from the project. He also urged the Board to conduct a full review of alternate
financial models for all utility funding to maintain financial security and to incentivize conservation over sales.

Alan Montemayor commented on the Vista Ridge project and asked the Board exit the project for cause. He commented on the use of personal wipes causing issues with the sewer system. He extended the services of the Sierra Club as a proponent to work with SAWS to make the public more aware of the issue.

**CONSENT AGENDA ITEMS**

**Items 7 – 19**

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

7. 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 Gillette Air Conditioning Co., Inc. to provide: installation and warranty for replacement of chillers in Tower 1 & 2 at SAWS Headquarters, Option 1, Bid No. 18-18000, for a total of $364,342.00.

   2. Approving a one-time purchase from JTS, Inc. to provide: Cambium equipment and warranty for broadband optimization, Bid No. 18-18016, for a total of $284,550.40.

   3. Approving a one-time purchase from ASCO, L.P. to provide: compact track loader, mobile light towers, excavator steel tracks, excavator bolt on rubber tracks, and heavy duty backhoe, (BuyBoard 515-16), Bid No. 18-18035, for a total of $356,137.28.

   **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 single source bid of Kinloch Equipment & Supply, Inc. to provide: annual contract for sewer maintenance parts & services, Bid No. 18-0159, for a total of $371,565.80.

   2. Acceptance of the bid of Grande Ford Truck Sales, Inc. to provide: annual contract for GMC, Chevrolet, and Cummins truck parts and service, Bid No. 18-0308, for a total of $142,000.00.
3. Acceptance of the single source bid of Santex Truck Centers, Ltd. to provide: annual contract for Navistar International Corporation truck parts & service, Bid No. 18-0362, for a total of $177,563.57.

4. Acceptance of the bid of Olympia Landscape Development, Inc. to provide: annual contract for lawn maintenance services for SAWS properties with limited access, Bid No. 18-14007, for a total of $302,572.00.

### CAPITAL IMPROVEMENT CONTRACTS
#### PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

#### Water and Sewer Line Improvements

8. A Resolution approving additional funds in an amount not to exceed $105,622.50 to the professional services contract with Kimley-Horn and Associates, Inc. in connection with the W-2 Huebner Creek: Eckert to Bandera Project. (ANDREA BEYMER - GAIL HAMRICK-PIGG)

#### Production, Transmission and Treatment Improvements

9. A Resolution awarding a professional services contract to Freese and Nichols, Inc. in an amount not to exceed $574,124.00 in connection with the Dietrich Elevated Storage Tank Project. (ANDREA BEYMER – MICHAEL MYERS)

10. A Resolution awarding a professional services contract to Alan Plummer and Associates, Inc. in an amount not to exceed $850,000.00 in connection with the Feathercrest and Stone Ridge Lift Stations Upgrades Project. (ANDREA BEYMER – MICHAEL MYERS)

### REPLACEMENT AND ADJUSTMENT PROJECTS
#### Governmental Relocations and Replacements

11. A Resolution approving an Interlocal Agreement with the City of Balcones Heights; authorizing the expenditure of funds in an amount not to exceed $297,707.30 for the replacement of water facilities by the City of Balcones Heights in connection with the Glenarm Place Reconstruction – Phase I and II Project. (ANDREA BEYMER - GAIL HAMRICK-PIGG)

12. A Resolution approving the expenditure of funds in the amount of $120,040.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the 2018 Asphalt Overlay Task Order Contract Package 9. (ANDREA BEYMER - GAIL HAMRICK-PIGG)
EASEMENT AND REAL PROPERTY

13. A Resolution approving the purchase agreement in the amount of $340,000.00 with Terri L. Carter for the purchase by the City of San Antonio, acting by and through the San Antonio Water System, for certain real property being approximately 2.298 acres located at 139 Springfield Road, San Antonio, Texas in the northeast quadrant of Bexar County, for the Dietrich Elevated Storage Tank Project for the expansion and operation of the System; authorizing the acquisition of the property in accordance with the terms of the purchase agreement; authorizing the expenditure of funds in a total amount not to exceed $348,000.00 for the acquisition of the property and related closing and title insurance costs. (NANCY BELINSKY – BRUCE HABY)

14. A Resolution accepting an offer in the amount of $380,000.00 for the sale of 2706 W. Southcross, San Antonio, Bexar County, Texas; approving a purchase agreement with Marquie Communications, LLC; affirming a six percent commission to be paid to Cano and Company at closing; authorizing payment of closing costs (excluding real estate commissions) up to $6,000.00 at closing. (NANCY BELINSKY – BRUCE HABY)

15. A Resolution approving the acquisition of a permanent lift station easement from Ginther Eng and Victor Eng, being approximately 0.6409 acres and located outside Loop 410 at the east corner of Thousand Oaks Drive and Park Crossing Drive, in the northeast quadrant of Bexar County, Texas, in connection with the Feathercrest and Stone Ridge Lift Stations Upgrades Project in a total amount not to exceed $150,000.00. (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

16. A Resolution awarding a service contract to Taplin Group, LLC in an amount not to exceed $575,250.15 in connection with the Sanitary Sewer Cleaning and Inspection of Assets at the Leon Creek WRC Contract. (JEFF HABY – ANNETTE DURON)

17. A Resolution awarding a construction contract to Nerie Construction, LLC in an amount not to exceed $884,355.00 in connection with the 2018 Sanitary Sewer Laterals Renewal and Repair Construction Contract, Package 1. (JEFF HABY – ANNETTE DURON)

18. A Resolution awarding a construction contract to Nerie Construction, LLC in an amount not to exceed $837,270.00 in connection with the 2018 Sanitary Sewer Laterals Renewal and Repair Construction Contract, Package 2. (JEFF HABY – ANNETTE DURON)

19. A Resolution accepting the recommendation of the Audit Committee of the San Antonio Water System to approve a salary adjustment for Stacey Isenberg, Chief of Internal Audit of the System. (PAT MERRITT, CHAIRMAN, AUDIT COMMITTEE)

Chairman Guerra asked if there were any items in the Consent Agenda that should be pulled for individual discussion or consideration.
Ms. Merritt made a motion to approve the Consent Agenda Items 7 – 19. Mr. Parra seconded the motion.

Consent Agenda Items 7 – 19, were unanimously approved. Electronic voting. Mr. McGee was not present for the vote on Consent Agenda Items 7 – 19.

**ITEMS FOR INDIVIDUAL CONSIDERATION**

**CAPITAL IMPROVEMENT CONTRACTS**

**PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY**

**Developer Customer Contracts**

20. 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). (ANDREA B. LEYMAR – TRACEY LEHMANN)

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<th>No.</th>
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<th>Acres</th>
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**Total** 380.303 2,299 1,035

Tracy Lehmann presented Item 20, the Utility Service Agreements (USA) for the Liberte Ventura Tract, the St. Elizabeth Ann Seton Catholic Church Tract, and the NWC Bulverde 1604 Tract.

The Liberte Ventura Tract was a residential and school development on the east side of San Antonio. The tract was located inside the City of San Antonio and inside SAWS water CCN. The original USA was approved by the Board in April 2016. Since then, the acreage increased slightly and the number of water equivalent dwelling units (EDU) had increased from approximately 900 EDUs to 1,050 EDUs. The development was outside of SAWS sewer CCN and fell within the San Antonio River Authority’s sewer CCN. Therefore, the developer was not requesting any wastewater EDUs from SAWS. The project was within the five-mile radius of military bases, with the two closest facilities being Randolph Air Force Base and Fort Sam Houston. The project included oversizing of a 12-inch water main that was not currently in the impact fee calculation and was not eligible for impact fee credits.
If the project was included in the next review, then the developer would receive impact fee credits for their proportionate share. He reviewed project maps and proposed infrastructure options for the tract. The developer would eliminate four dead-end water mains that would lessen the flushing for the system. A 12-inch water main would be oversized to the south of the development and eventually loop into the 12-inch main on the south side to create a loop system.

The St. Elizabeth Ann Seton Catholic Church Tract was a 15 acre commercial tract located on the northwest side of San Antonio on IH-10 just south of Boerne Stage Road. The developer was requesting 14 water EDUs and 10 wastewater EDUs. The tract was within the City of San Antonio ETJ, and within SAWS water CCN but outside of SAWS wastewater CCN. The tract was within a five-mile radius of military bases, with Camp Bullis being the closest facility. He reviewed project maps and proposed infrastructure options for the tract. The developer would be required to extend the full 12-inch water main and a minor sewer improvement to extend to the existing system. The property was upstream of the Falcon Center Lift Station, which was currently out of capacity. SAWS had a CIP project under construction that was a four-mile sewer main with 30-inch and 33-inch sewer main. The project was expected to be completed at the end of the year. The USA had the restriction that the developer could not commence until that project was complete.

The NWC Bulverde 1604 Tract was a mixed-use development with commercial and multifamily, and was located on the northeast side at the intersection of 1604 and Bulverde Road. The tract was within SAWS water and wastewater CCNs, and was within the City of San Antonio ETJ. The original USA was approved by the Board in January 2017. Since then, the 60 acres and water and wastewater EDUs of 1,235 and 1,025 had not changed. The revision was the oversizing requirements of a 42-inch sewer main. The project was eligible for impact fee credits. He reviewed project maps and proposed infrastructure options for the tract. The developer would be required to extend a 12-inch water main through the tract. The original alignment of the 42-inch sewer main was parallel to an existing 18-inch main. In working with HDR and the Basin Planning Consultants, the developer agreed to extend the project north of 1604 and would be a great benefit to SAWS E4 Project. The E4 Project was not scheduled until 2021, and there was a possibility the project would be done approximately two years sooner than originally planned to help alleviate potential overflows in that area.

Staff recommended approval of the three USAs, the Liberte Ventura Tract, the St. Elizabeth Ann Seton Catholic Church Tract, and the NWC Bulverde 1604 Tract.

Ms. Jasso made a motion to approve Item 20. Ms. Merritt seconded the motion.

Mayor Nirenberg inquired about the communication with JBSA for the Liberte Tract that was within the five-mile buffer of Randolph Air Force Base. Mr. Lehmann replied that staff made the official notice, but had not heard back.

Mayor Nirenberg commented on the standardized approach to communicate with JBSA. It was important to know from a planning standpoint that JBSA was aware of the impacts. He asked that staff communicate with the Office of Military Affairs on any applications received in the meantime to make sure the communication took place.
After no further discussion, Item 20 was unanimously approved. Electronic voting. Mr. McGee was not present for the vote on Item 20.

**Production, Transmission and Treatment Improvements**

21. A Resolution awarding a construction contract to DN Tanks, Inc. in an amount not to exceed $6,981,500.00 in connection with the Central Water Integration Pipeline Project – Terminus Tank. (ANDREA BEYMER – ALISSA LOCKETT)

Alissa Lockett presented Item 21, the Central Water Integration Pipeline Project Terminus Tank. The project scope included a 10 million gallon prestressed concrete ground storage tank on the terminus site. The tank would be SAWS largest concrete ground storage tank in terms of height at 81.5 feet. She discussed a tank of similar height that was located in Borger, Texas. The project was coming to the Board in advance of the terminus construction so the contractor building the treatment facility would have more room on the site. The taller tank would take advantage of the elevation difference to reduce pumping and flow by gravity into the system. The project area was located in Stone Oak just off of the West Lomas Elementary in Northeast ISD. The layout of the terminus facility included two tanks on the site. One was a 10-million tank that Garney was building, and SAWS tank was on the opposite side of the site with the treatment facilities in between.

Staff had a bid opening last week and two bids were received from the predominant companies that do tank construction, DN Tanks and Preload. The engineer's estimate was $7,449,500.00, and was in between the two bids received. The lowest responsible bidder was DN Tanks with a bid of $6,981,500.00 that was 6.28 percent below the engineer's estimate. The SMWVB participation was zero percent, but staff was working closely with the contractor to increase that participation.

Staff recommended the award of a construction contract to DN Tanks, and approval of funds in the amount of $6,981,500.00 for the construction contract.

She gave an overview of the program and different projects SAWS was undertaking to integrate the water. Staff was finishing design and easement acquisitions. On April 5, SAWS had an item going for City Council's consideration to accept the necessity ordinance for the easements of the pipeline associated with the project. The construction of the terminus ground storage tank was on the current agenda. There were several larger pieces of equipment to be procured starting in June. Many of those would not be at the Board's threshold in terms of the award amount. These were being done to try to reduce the amount of time it took to get submittals approved before the contractor started construction. There were several other contracts coming to the Board for consideration in August that included the ground storage tank rehab at Maltsberger, several pipelines, and a large tunnel along 1604 and from the terminus site. Then there were improvements at Bitters Pump Station, a pipeline to connect to the pump station to the overall pipeline, and more improvements at Maltsberger Pump Station. The largest construction contract would be the terminus treatment facility that would treat the water to match Edwards Aquifer groundwater quality.

Ms. Jasso made a motion to approve Item 21. Mr. Parra seconded the motion.
Ms. Hardberger asked for how Item 21 was associated with the integration pipeline that was previously voted on by the Board. Ms. Lockett responded that in September, the Board voted on the design-built contract with Kiewit. Between September and December, the number kept growing and staff could not come to an agreement with Kiewit. The contract with Kiewit was terminated and staff chose to go from a design-build concept or an alternative project delivery method to a traditional project delivery method, which was design-bid-build. Now there will be a multitude of construction projects that the aggregate together were equal to the design-build scope.

Ms. Hardberger asked how staff would ensure the cumulative impact of all the different projects would not end up being more. Ms. Lockett discussed the cost estimating for the project. The program manager, Black & Veatch, was doing a top/down cost estimate, and the engineer was doing opinions of probable construction costs at every design deliverable. Staff was reviewing those estimates to make sure the estimates were within the program costs. SAWS was competitively bidding all of the projects individually to get better costs.

Mr. Parra inquired about the past experience for DN Tanks with these types of projects. Ms. Lockett replied that DN Tanks had done the Schertz Parkway tank that was 60-feet tall and the Anderson tank, which was a 7.5 million gallon groundwater storage tank. The references for DN Tanks were really positive. Preload and DN Tanks were the two dominant players in the Texas market for this type of work.

Ms. Merritt inquired about the approximate timeline for the project. Ms. Lockett responded the contractor had 175 days from the notice to proceed to finish the erection of the giant panels and then about 280 days to come to substantial completion.

Chairman Guerra inquired about the structures within the tank. Ms. Lockett replied the structure in the middle would hold up the walls during construction, but there would not be any pillars in the middle of the tank.

Mr. Parra highly encouraged staff to work to increase the minority percent. Ms. Lockett agreed and stated staff had discussed some ideas to hopefully get more participation on the project.

Chairman Guerra asked about the size of the project company tank compared to SAWS tank. Ms. Lockett stated both tanks were 10 million gallons. There was a 10-foot drop in the site elevation from the side of the project company tank. While both were 10 million gallons, one tank was slightly different in diameter and in height, but the total volume was the same.

After no further discussion, Item 21 was unanimously approved. Electronic voting. Mr. McGee was not present for the vote on Item 21.

**MISCELLANEOUS ITEMS**

including the report of independent accountants, Baker Tilly Virchow Krause, LLP; directing that the report be made available for public inspection. (MARY BAILEY)

Mary Bailey presented Item 22, the 2017 Comprehensive Annual Financial Report (CAFR). Baker Tilly performed the audit of the 2017 CAFR, and gave their report to the Audit Committee last Friday. A representative of Baker Tilly’s audit team was also available to answer any questions.

She gave a brief review of the 2017 financial results. Overall, the financial results for the year were very strong. Operating revenues were up $44 million or about seven percent over the prior year, largely as a result of an average rate increase received last January of 6.8 percent. However, rainfall for the year was about 15 percent below normal which contributed to the $15 million favorable variance to budget as well as made up the difference of the increase over the prior year. Operating expenses finished the year $7 million or 1.5 percent favorable to budget. Non-operating expenses, which consist primarily of interest and debt related expenses, were favorable to budget by $22 million. Capital contributions, which included impact fees and developer contributions of infrastructure, continued to reflect the strong development activity in San Antonio. Overall, the increase in net position after capital contributions was $240.9 million compared to $213 million in 2016.

In 2017, total assets increased $167 million or about three percent, largely due to an increase in capital assets with total liabilities decreasing $74 million or two percent in 2017. The decrease in liabilities was largely due to the fact that the scheduled annual debt service payments were made. The difference between assets and liabilities was referred to as net position, and was a reflection of the strength of SAWS’ financial position. Net position increased $240.9 million, and more than a third of that was actually in unrestricted net position which was used to help fund capital programs.

SAWS financial metrics demonstrated the strong financial performance in 2017. Long-term debt per customer decreased for the first time in a long time as a result of the annual debt service payments and not issuing any new debt. Senior lien debt coverage ratio of 6.06 times was significantly improved from 2016 levels. The total bonded net coverage ratio of 1.89 times was probably the strongest in recent history, probably all history of SAWS and was a testament to the strong credit rating, as was the days cash on hand metrics.

She reviewed the layout of the CAFR. The Letter of Transmittal gave the background information about SAWS, discussed long-range planning and financial policies, and highlighted some of the major initiatives during 2017. The GFOA Certificate of Achievement for the 2016 CAFR was included in the CAFR. She noted that this was the 24th consecutive year of receiving the award. The Government Finance Officers Association set out some requirements and reviewed the CAFR each year to make sure the criteria was met. Management Discussion and Analysis provided some analysis of the changes in the financial results from year to year. This was really a critical piece of the financial report as well as the footnotes to the basic financial statements. The Required Supplemental Information contained an abundance of information about SAWS pension and OPEB benefit plans. The Statistical Section provided 10 years of financial and operating data on SAWS.

Some of the more significant note disclosures in the 2017 report was in Note A, which was
Significant Accounting Policies. The Government Accounting Standards Board (GASB) issued a number of new pronouncements, which were adopted in 2017. Statements 73, 74 and 82 were all related to pension and post-employment benefits. GASB 75 was related to other post-employment benefit (OPEB) plan or post-retirement medical and would be adopted in 2018. This would require the entire unfunded liability to be reported on the balance sheet. GASB 83 would be effective in 2019 on asset retirement obligations, and would require the cost of retiring assets to be booked as a liability on the financial statements. GASB 87 was the lease standard and would not be in affective until 2020. Basically, the intent was to put all leases on the balance sheet as a liability. This standard may have some impact on how the Vista Ridge water contracts were treated in 2020.

Note J covered contingencies and commitments, and the more significant one that involved Vista Ridge was the water transmission and purchase agreement. The cost to terminate the agreement as of December 31, 2017, was approximately $540 million. The cost would grow to approximately $1 billion by 2020, as the project company issued more debt to build the pipeline. There was a discussion of the EPA Consent Decree that included the most current cost estimates of about $250 million over the term of the Consent Decree for operating and maintenance requirements, and capital requirements were estimated to be approximately $1.2 to $1.3 billion. The Administrative Order for Mitchell Lake was also discussed. A contract was awarded for a pilot study to potentially construct wetlands, and it was noted that there was not enough information for the total cost at this time.

The supplemental information required by generally accepted accounting principles presented historical information about SAWS retirement plans. In 2017, GASB 74 was adopted, which related to OPEB plans. GASB 74 required the same type of disclosures for those types of plans. These plans were a significant portion of the personnel costs each year and represented a significant obligation of SAWS. She reviewed each of the retirement plans. The TMRS plan was now 86 percent funded. The SAWS retirement plan was another pension plan for employees. In 2014, the defined benefit portion of the plan was frozen to new entrants. New employees now participated in the defined contribution plan. The current funded ratio for the defined benefit portion was 91 percent. The DSP retirement plan was 87 percent funded. The OPEB plan was not funded before 2012. In 2012, a trust was created and funding began to pay future benefits. The plan was now funded at 39 percent. With the current plan to contribute $7.5 million to the trust as well as fund the pay-as-you-go benefits, the plan was expected to be 80 to 90 percent funded within the next five to seven years. The funded ratios had increased while controlling the overall level of contributions from SAWS. Since 2014, the plan contributions actually declined $2 million at 7 percent, while the funding ratios improved.

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

Mr. Parra asked if the item would accept the audited report by the third-party auditor. Ms. Bailey confirmed. She pointed out the auditor’s opinion was clean, or what was referred to as unmodified. The auditor did have some recommendations related to internal controls, but none of the recommendations reached the level of significant deficiencies or material weakness.

Mr. McGee stated SAWS had a really great year last year and staff did a fantastic job
managing SAWS finances in a really efficient manner.

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

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

   (DOUG EVANSON– PHYLLIS GARCIA)

24. **A Resolution recommending and requesting that the San Antonio City Council take certain actions with respect to the issuance and sale of obligations designated as “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2018B”.**

   (DOUG EVANSON – PHYLLIS GARCIA)

25. **A Resolution recommending and requesting that the San Antonio City Council take certain actions with respect to an application to the Texas Water Development Board’s Drinking Water State Revolving Fund Program, and adopt a reimbursement resolution.** (DOUG EVANSON – PHYLLIS GARCIA)

Phyllis Garcia presented Items 23, 24 and 25, the 2018 Debt Transactions. She discussed the issue of tax-exempt bonds to fund the Capital Improvements Program (CIP). The useful life for CIP projects could span between 30 and 50 years, and bonds were issued to construct those projects today but pay over the useful life of the asset. SAWS had a large CIP over the next five years, totaling over $2 billion in needed projects. SAWS used a variety of sources to fund its CIP that included revenues generated from rates, impact fees received from developers, interest income received on investments, and debt. SAWS took advantage of several different types of debt: tax-exempt revenue bonds, which were bonds issued in the capital markets with the repayment of debt backed by SAWS revenues; subsidized debt issued for the Texas Water Development Board (TWDB); and tax-exempt commercial paper issued on an as-needed basis. SAWS also offered and issued various types of rates such as revenue bonds between long-term fixed rate debt as well as short-term variable rate debt to take advantage of the short end of the yield curve and to diversify the portfolio net.

The transactions proposed would include two series of bonds in a combined amount not to exceed $392 million. The first issue would be a traditional fixed rate long-term bond in an approximate amount of $240 million. The bond would provide new bond proceeds to fund the CIP, refund some currently outstanding commercial paper, free up capacity to fund future projects, and refund previously issued debt for debt service savings. The second series would be a variable rate issue of approximately $152 million to take advantage of the short-term interest rate. The issue would also refund commercial paper and provide new money proceeds to fund capital improvements. The second issue was planned for later in 2018 or 2019, depending on the funding needs of the CIP.

The next series of bonds would be placed directly with the TWDB for $10.5 million from the Drinking Water State Revolving Fund to fund the Zarzamora Pump Station.
Improvements. TWDB provided leadership, information, education and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas. To accomplish this mission, TWDB provided financial assistance to public and non-profit water systems through several programs. SAWS had taken advantage of assistance through the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund, and the Water Infrastructure Fund, now known as the SWIFT Program. The application would request funds under the Drinking Water State Revolving Fund, which provided below-market interest rates for the planning, design, acquisition, and construction of qualifying water projects. TWDB provided a subsidy of 1.35 percent below-market interest rates at the time of pricing for a 30-year maximum maturity. In addition to the bond, staff was also submitting another application to TWDB for other projects to receive the funding of approximately $33,550,000.00. This would fund the Wurzbach Pump Station, Pleasanton Road Water Main Replacement, and the La Rosa Pump Station projects. There were multiple steps to go through to receive financial assistance from TWDB. Projects had to be submitted in the intended use for ranking. If the projects ranked high enough in the funding level, an invitation to submit an application was sent. One of the requirements of the application was a resolution from the governing body requesting financial assistance. After the application was reviewed and approved, TWDB would make a commitment to loan funds. SAWS was at the application phase for the $33.6 million and at the bond authorization phase of the $10.5 million. SAWS had taken advantage of the low interest loans since 1999, issuing 27 bonds through TWDB for approximately $809 million. TWDB had funded some important and large projects, including the Brackish Groundwater Desal Project, the Southwest Bexar Sewer Pipeline, and the Water Resources Integration Pipeline. SAWS also received funding for some of the SSO reduction and rehabilitation projects and some pump station improvements.

The last item for consideration was a reimbursement resolution that allowed SAWS to reimburse itself with bond proceeds for projects that incurred prior to the issue of the bonds. This allowed the flexibility to start a project before the closing on the bond. SAWS had a pool of investment bankers who would assist in selling bonds to investors out in the capital market. The pool was established in 2016 and consisted of national, regional, and SMWVB firms. Each time SAWS issued a bond transaction, an underwriting syndicate was selected from the pool based on rotation of firms, coverage of SAWS, presentation of new ideas, and past performance. The underwriting syndicate recommended for this transaction was JP Morgan Securities as senior manager, with Mesirow Financial as co-senior manager, and FTN Financial, Loop Capital Markets, and Ramirez & Co. as co-managers for the fixed rate transaction, and Barclays Capital as the sole manager for the variable rate transaction.

She reviewed the calendar of events for the transactions. Last week, staff met with the rating agencies to give an update of SAWS financial and operational results. The rating agencies’ reports were expected this week or next week. Board and City Council consideration were needed to go to pricing for the fixed rate issue later this month with the closing in May. The rates for the TWDB issue would be set in May and would close in June. Depending on the financing needs for capital improvements, issuing the variable rate transaction would either be later in 2018 or early 2019.

Staff recommended the approval of resolutions asking City Council to authorize: the fixed rate and variable rate issue not to exceed $392 million, the loan for TWDB for $10.5 million,
and a resolution requesting financial assistance and reimbursement resolution for $33.6 million.

Mr. McGee made a motion to approve Items 23, 24 and 25. Ms. Jasso seconded the motion.

Ms. Hardberger inquired about the bases for the SWIFT funding and ranking prioritization system, and the probability of TWDB offering the revolving loans. Ms. Garcia replied the SWIFT funding was for projects in the state water plan. The proposal was under the Drinking Water State Revolving Fund, not the SWIFT funding, and the Drinking Water State Revolving Fund had sufficient funds for water projects. SAWS was able to get funding from TWDB for all of the projects that were submitted.

Ms. Hardberger inquired about the type of programs offered by TWDB. Ms. Garcia outlined the programs. The Clean Water State Revolving Fund was actually for wastewater projects. The Drinking Water State Revolving Fund was to fund drinking water projects that included water delivery projects and new pump stations. The SWIFT funding use to be the Water Infrastructure Funds (WIF) and was for water supply projects. SAWS utilized the WIF funding for the desal project.

Mr. McGee asked what the sense was from the rating agencies for SAWS. Ms. Garcia stated the presentation went very well and she thought SAWS ratings would be affirmed. The rating agencies did have some concerns with the large capital program as well as the Vista Ridge project before they would consider upgrading SAWS ratings. Mr. Evanson added that Standard & Poor’s was probably the most optimistic.

Mr. McGee asked if there was a sense of how SAWS was performing against the peer groups. Mr. Evanson stated the agencies did not really share anything regarding the peer groups. He stated he thought the agencies would like to see SAWS get a little further along in the Consent Decree and bring the Vista Ridge Water Supply Project online before considering an upgrade of the ratings.

After no further discussion, Items 23, 24 and 25 was unanimously approved. Verbal voting.


Darren Thompson presented Item 26, the first amendment to the Interlocal Contract with Edwards Aquifer Authority (EAA). He reviewed the background of the Edwards Aquifer and both physical limitations and lack of regulations that led to decades of fighting between municipal, agriculture, and downstream stakeholders over the Edwards Aquifer. The Sierra Club lawsuit and subsequent ruling by Judge Bunton basically pushed the state to take action. Under Mr. Puente’s leadership and his colleagues at the legislature, two important bills were pushed through in 1993 and 2007. SB 1477 established the EAA, set withdraw limits, and required the EAA to set minimal continuous springflow standards. In 2007, SB 3 included
a framework of the Edwards Aquifer Recovery Implementation Program (EARIP) that was put together to develop a plan to ensure springflow and to protect the species.

The EARIP was a group of over 80 stakeholders and representatives that met over a five-year period to develop the Edwards Aquifer Habitat Conservation Plan (EAHCP). The plan was submitted to U.S. Fish and Wildlife in 2012, and subsequently was adopted. U.S. Fish and Wildlife issued an Incidental Take Permit, which was a 15-year permit started in 2013. Along with the plan, there were financial assurances in the document, and was funded at approximately $262 million over that 15-year period. With the passing of the plan and the subsequent Incidental Take Permit, this was the first time that water permit holders in the Edwards could actually plan on the water and provided water security for all permit users in the region. The plan was broken up into two pieces, the habitat side and the springflow side. There were over 26 habitat protection measures included for both the Comal and San Marcos springs. These measures included remodeling the springs and bank stabilization projects to provide a more secure and better environment for the species. He reviewed photos of the projects.

He discussed SAWS involvement in the springflow protection measures. The Voluntary Irrigation Suspension Program paid farmers not to produce water during a repeat of a Drought of Record. The Regional Water Conservation Program implemented conservation measures similar to SAWS in the region. The program required 20,000 acre-feet to be implemented with half in savings and half committed to a groundwater trust. The program was struggling a little to fulfill the full 20,000 acre-feet. SAWS saw an opportunity to take advantage of that and make the program whole. In return, SAWS was receiving a little over $18.5 million in funding to hire contractors to help with the water loss program. The next four items on the agenda were a part of this program. SAWS ASR was the linchpin of the springflow protection measures. The plan incorporated almost 100,000 acre-feet of water taken off the table during a repeat of a Drought of Record. Stage 5 was the last piece of the springflow protection measures and was an additional stage to critical period with another four percent off of capacity across the region.

He reviewed the EAA's responsibility for the ASR program. The EAA was responsible for controlling 50,000 acre-feet by providing water to SAWS to store into the ASR that would be produced from the aquifer during a Drought of Record. The EAA was also responsible for paying SAWS to store the water provided and to produce the water during a Drought of Record. SAWS commitment was to reduce production up to 126,000 acre-feet over a 10-year period. In the worst year, the reduction was up to 46,300 acre-feet of water, but the EAA was providing SAWS water to offset that loss of production. He discussed a graph of the water stored as part of the EAHCP program. The EAA had some challenges securing 50,000 acre-feet of water through the remainder of the permit period. Since SAWS had been successful storing the water, the EAA did not need to convey as much water over the next nine years. The EAA wanted to restructure how the leases were acquired, shifting away from an actual lease, and move more towards a forbearance agreement. There was a potential for cost savings and a streamline of certain drought triggers that were utilized in the program. The first amendment actually reduced the amount of water the EAA was required to provide to SAWS, going from roughly 50,000 acre-feet of water to 16,000 acre-feet of water to get to a total commitment of 126,000 acre-feet. This would give the EAA the flexibility to save money and do forbearance type options with the remaining 32,000-acre-feet.
Staff recommended the approval of the first amendment of the Interlocal Contract between EAA and SAWS for the use of the H2Oaks Aquifer Storage and Recovery Project for the contribution to springflow protection. U.S. Fish and Wildlife and EAA had approved the amendment, and SAWS was the third party to take the amendment into consideration.

Ms. Merritt made a motion to approve Item 26. Mr. Parra seconded the motion.

Mr. Parra asked how much water could be stored at the ASR and how much was currently in the ASR. Mr. Thompson replied the 2017 Water Management Plan was planning for total storage in the ASR of roughly 240,000 acre-feet. The ASR was at 160,000 acre-feet and would be close to 170,000 acre-feet by the end of the year. Staff did not envision any more than the 16,000 acre-feet over the next few years.

Mr. Parra inquired about the reduction to 16,000 acre-feet. Mr. Thompson responded the EAA was responsible to provide the full 50,000 acre-feet to SAWS. The amendment would reduce the amount to 16,000 acre-feet that would be conveyed to SAWS for storage.

Chairman Guerra inquired about the 170,000 acre-feet by the end of the year and whether staff was taking into consideration the potential of using some of the water during the summer. Mr. Thompson confirmed SAWS had the flexibility to use some of the water and had the ability to store additional capacity as well.

After no further discussion, Item 26 was unanimously approved. Electronic voting.

27. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $1,307,680.00 in connection with the 2018 Annual Water Distribution Leak Repairs Contract - Package 1.
   (MICHAEL BRINKMANN – SHAWN CRAWFORD)

28. A Resolution awarding a construction contract to Bartek Construction Co. in an amount not to exceed $1,301,890.00 in connection with the 2018 Annual Water Distribution Leak Repairs Contract - Package 2.
   (MICHAEL BRINKMANN – SHAWN CRAWFORD)

29. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $1,287,680.00 in connection with the 2018 Annual Water Distribution Leak Repairs Contract - Package 3.
   (MICHAEL BRINKMANN – SHAWN CRAWFORD)

30. A Resolution awarding a construction contract to Bartek Construction Co. in an amount not to exceed $1,339,345.00 in connection with the 2018 Annual Water Distribution Leak Repairs Contract - Package 4.
   (MICHAEL BRINKMANN – SHAWN CRAWFORD)

Mike Brinkmann presented Items 27, 28, 29 and 30, annual distribution leak repair contracts. The contracts were with external contractors that would help SAWS crews on water leaks. He discussed how leaks were identified. The highest number of leaks were received from
water conscious citizens. SAWS had in-house leak detention crews that looked at half of the almost 7,000 miles of water main each year and listened for leaks through acoustic sounding. SAWS also had valve detention crews that looked at valves to identify leaks. These were not necessarily main breaks. These were targeted leaks that were hidden in many cases.

Under each of the contracts, the contractors would help reduce work orders response times, and help save water by addressing the leaks faster. The contractors would help identify valve operability, which would minimize shut-down time needed to do repairs. The contractors would also help identify more possibilities of poor hydrant function or maybe leaks in the hydrant barrels. The contractors would repair leaks on mains, hydrants, valves and services, replace hydrants and valves, and relay services if warranted. Work orders would be issued for each asset, and repairs could be anywhere from a 3/4-inch service pipe to a 24-inch main typically through open cut. The funding for the contracts were from the CIP and through the EAA Interlocal Agreement.

He reviewed the work orders issued on these specific type of contracts in 2017. There were four contracts for approximately $5.2 million that saved about 4,500 acre-feet of water. The EAHCP funded $4.5 million, about $731,000.00 was paid from SAWS CIP program, and about $66,646.00 was from O&M. The EAA payments to SAWS were $4.5 million a year for a total amount of the five-year contract of $18,631,400.00 to help address leaks and go after lost water. He discussed examples of the different repairs and replacements under the contracts.

He reviewed the bid results for each of the four packages. The packages were bid on two different days. The engineer's estimate was based on actual contract pricing from the 2017 contracts. Facilities Rehabilitation, Inc. was the apparent low bidder at $1,307,680.00 for Package 1. The bid was an 18 percent decrease from the estimate based on last year’s expenses. Facilities Rehabilitation, Inc. had an SMWVB participation of 97.71 percent. Bartek Construction Co. was the lowest responsible bidder at $1,301,890.00 for Package 2, and their SMWVB participation was 69.66 percent. Facilities Rehabilitation, Inc. submitted the low bid for Package 3 at $1,287,680.00, and their SMWVB percentage was 97.67 percent. Bartek Construction Co. was the lowest responsible bidder at $1,339,345.00 for Package 4. Staff met with both contractors to make sure they could meet the obligations of the contracts, and staff recommended the lowest responsible bidder for each of the four packages.

Ms. Jasso made a motion to approve Items 27, 28, 29 and 30. Ms. Merritt seconded the motion.

Ms. Jasso inquired about the locations for each contract and whether any of the work was planned. Mr. Brinkmann replied the contractors were informed the work would be within SAWS service area and the location could change from day to day. These contracts would address reported leaks and would free up SAWS crews to respond to main breaks. The contractors could be assigned four or five work orders per day.

Ms. Jasso asked how the cost was estimated ahead of time. Mr. Brinkmann responded the bid items were an estimated repair cost. The contractors bid on certain quantities that were typical for every SAWS job and for every repair. SAWS had a check and balance to make
Ms. Hardberger asked if there was a ranking for the work orders. Mr. Brinkmann replied that staff would go through a triage of requests for work that needed to be addressed each day. The crews were trained to prioritize these based on severity, impact of local property, size of main and potential impact or loss of water. There were a variety of determining factors that helped rank and prioritize the work and then assign accordingly. For example, some of these repairs may be in a difficult areas such as downtown and SAWS crews may choose to take on that project. The contractors were typically working on four to five work orders at any one time. Each contractor had a crew somewhere in town making a repair, but the prioritization occurred when SAWS got the notice there was a leak. A field coordinator would go out and inspect to help prioritize the work.

Ms. Hardberger asked how a high risk area was managed that did not have a leak. Mr. Brinkmann stated SAWS had a proactive leak detention team that would go out to look for leaks before there was a main break as part of the proactive maintenance program. Typically, a small leak would be seen before there was a main break or, in some cases, a closed valve was found that was causing pressure spikes that could cause a main break.

Ms. Hardberger inquired about the parameters for four contracts instead of one. Mr. Brinkmann replied initially staff wanted a variety of crews to get to those different projects. Some contractors do not have that many crews. Multiple contracts also provided an opportunity for smaller contractors. There were some companies that could only handle one of these contracts, and multiple contracts would give smaller contractors the opportunity to grow their company.

Ms. Hardberger asked if the contractor bidding on two separate projects had an obligation to demonstrate that they could handle both simultaneously. Mr. Brinkmann confirmed and stated that occasionally staff had to bring in a contractor because the contractor was not meeting SAWS timeline. In some cases, SAWS could terminate a contract if the contractor was not providing the services.

Ms. Hardberger asked if there was an expected response time and whether it was dependent on the size of the leak. Mr. Brinkmann stated a small leak that was close to the surface was a potential break long-term and needed to be fixed fast. In some cases a leak needed to be addressed within the same day. The leaks would be prioritized and staff would determine who would address each work order.

After no further discussion, Items 27, 28, 29 and 30 were unanimously approved. Verbal voting.

31. BRIEFING SESSION.

A. Briefing and deliberation regarding the Vista Ridge Project

Mr. Puente stated Item 31A on the Vista Ridge Project was covered under Item 21 presented by Ms. Lockett.
B. Briefing and deliberation regarding San Antonio Innovations in Conservation

Karen Guz provided a briefing on Innovations in Conservation, and some of the changes made in different programs. The WaterSaver Coupons were started in 2013, with 20,000 coupons to customers all over San Antonio. The model of the coupon was to give the customer an instant rebate. Previously, the customer had to change their landscape, then go through an inspection, and then receive a credit on their bill. Not surprisingly, the instant rebate was much more popular. Participation skyrocketed with the instant rebate model, but it was not the most efficient because paper coupons were still mailed. In 2018, the WaterSaver Coupons have gone electronic. Now, the customer could apply online, and then an email with a link would be issued. The customer would get details on their phone such as the locations to redeem the coupon. Administratively the process was much faster and much easier for staff to reconcile, and the customers liked the experience. In the past month, 3,000 electronic coupons were issued.

A new program was WaterSmart that provide monthly personalized reports about water consumption that customers could compare to other households and get personalized water conservation suggestions. The purpose was to increase engagement in conservation program activities and reduce water use. Studies showed that usually there was a reduction of about three percent when people received information all the time and were made more aware. Staff also wanted to know if this would get people who had not been engaged for a while to decide to engage. Households that had high discretionary water use and that had not used one of the programs in the last couple of years were specifically targeted. Households that were in the affordability programs were also targeted. These were some of the 26,000 households that were lower income and received an affordability discount. This pilot was of over 10,000 households that were engaged in one form or another, and the initial results were very good. The participants who had been getting the reports were more satisfied with being a SAWS customers compared to the control group. The participants liked getting more information, and were able to engage in the dashboard to ask questions and see more information. They saved water, and were more engaged if it was an electronic report. The affordability customers were the most engaged with WaterSmart, and saved water perhaps because they were attuned to that monthly price signal. In 2018, the contract would be expanded to send out monthly reports to 45,000 households. Enrollment was open now and was promoted on social media and special mailed invitations.

Another pilot being tested was new technology for the operations of irrigation systems by an app-based irrigation controller. There were about 40 different products available online to substitute the garage controllers. The app-based irrigation controllers used weather data in real time to adjust the schedule, but there was a problem. The way the weather data was interpreted was overly generous for San Antonio. The average customer, even one who had an issue irrigation system, was highly likely to have their water use increase with one of these controllers. This was a big problem because the app-based controllers were really popular products. Staff had been trying to find a company that would adjust their products. Two companies were identified that changed their products by making the algorithms less overly generous and by allowing seasonal messages to customers that were appropriate about water use. There were a couple hundred customers in the pilot now. Staff would continue to monitor the water use and survey customers about the product.
Another pilot was for swimming pools and included 400 customers and how they managed the pool. So far of the pools that had been checked, about 60 percent appeared to have some level of leaks. Once more data was available, staff would look to see if this should be another coupon program to cover some of the costs to get an expert checkup. Currently, CPS Energy had a rebate for more energy efficient pumps and SAWS had a rebate for more water efficient pool filters. Staff checked and CPS Energy was interested in exploring a full-fledged program and partnering with SAWS. This could be the next opportunity to partnership and do energy and water at the same time in San Antonio.

The last program was a new loyalty program, the WaterSaver Rewards. The loyalty program rewarded points for learning about water. The Garden Style San Antonio website had opportunities to learn about environmental issues and a lot were specifically about water. Staff created this program to entice people to take a look, to engage, and to earn points that could be redeemed to help save more water. She discussed how to sign up and earn points. There were 1,600 people signed up so far in the new loyalty program.

She reviewed some of the activities in 2018. A new metric would look at how SAWS was doing with unengaged customers. It was hard to find people in San Antonio who had never done anything with water conservation, but some had not done anything in a while. Staff was interested in getting them to opt back in and engage in a positive way. The pilot projects were done to assess a program before going big with a new program. Once some of the details were worked out, a new program for a large central rainwater rebate would go live in the next couple of months.

Mayor Nirenberg gave kudos to Ms. Guz for doing a fabulous job and setting the example. The conservation ethic really meant nothing unless it was in the hands of the SAWS customer. Ms. Guz replied she worked with a great creative group of people.

Ms. Hardberger inquired about the app-based controllers display and whether the readout provided the gallons used and to see the bill actually accruing. She stated the smart readers for power do that now. Ms. Guz replied not quite yet. One of the more disturbing things was the product would display how many gallons saved when it was not known. However, one of the companies staff was working with was experimenting with a flow sensor for about $120 that would show how many gallons used. There were flow sensors on the market that had been more like $400 for each installed, which was very pricey for the residential market. Right now, the focus was on how many minutes for the system’s run time. It was important to be able to see what was going on with an irrigation system in order to assess if the controllers were really helping people save water.

Ms. Hardberger commented that something that had some sort of numerical notation for the user would be preferred. If the controller showed the irrigation side, the customer could easily compare that with their bill to see what percentage of the bill was actually going outside and be more responsive. She added that a more permanent banner regarding Stage 1 watering restrictions would be helpful.

Mr. Parra stated he appreciated all the innovations being considered. He asked if there was one that would help detect water leaks or notify the customer when usage was more than
average. Ms. Guz responded that some of the technology as part of SAWS automatic metering integration pilot was still being developed, but eventually with automatic metering integration there would be more real time data for customers.

32. President/Chief Executive Officer’s Report.

A. Customer Assistance Fair – Council District 2

Mr. Puente commented on Mayor Nirenberg’s statement regarding water conservation programs were not very good unless the programs got into the hands of the customers, which was the same with affordability programs. On Saturday, he went with Councilman Shaw into District 2, along with some SAWS employees, and hung over 6,200 hangers. Postcards were also mailed to 5,000 customers regarding the affordability programs, and that a fair would be held the following Saturday. Over 250 customers attended the fair, and almost 200 customers were signed up in the programs and accepted on the spot. He recognized the partners that participated including CPS Energy and other private vendors. The Food Bank had groceries there for a lot of individuals, and Councilman Shaw was out there all day delivering food. He recognized the SAWS employees that worked the event and also the employees that volunteered at the event.

Chairman Guerra thanked the employees for giving their time and for the volunteers who helped out at the event.

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

None

At this point in the meeting, an Executive Session was held. The time was 11:21 a.m.

34. The Regular Session of the April 3, 2018, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed pursuant to Section §551.071 of the Texas Open Meetings Act.

35. EXECUTIVE SESSION

A. Consultation with attorneys regarding pending litigation in Case No. 5:12-cv-00620-OLG in the United States District Court for the Western District of Texas - San Antonio Division; League of United Latin American Citizens, et al., vs. Edwards Aquifer Authority pursuant to §551.071, Texas Government Code.

B. Consultation with attorneys regarding potential claims for damages arising out of the design of the Southwest Bexar Sewer Pipeline project pursuant to §551.071, Texas Government Code.

C. Consultation with attorneys regarding advice on legal matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, pursuant to §551.071, Texas Government Code.
36. The Regular Session of the Regular Board Meeting of April 3, 2018, is hereby reconvened.

The meeting reconvened at 12:26 p.m. The Chairman stated that no decisions were made in Executive Session.

37. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF APRIL 3, 2018, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of April 3, 2018, adjourned at 12:26 p.m.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

Board Action Date: June 5, 2018

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

<table>
<thead>
<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Contracts (SMWB)</td>
<td>Estimated Amount (SMWB)</td>
</tr>
<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services</td>
<td>4</td>
<td>1,625,109.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>169,404.00</td>
</tr>
<tr>
<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements</td>
<td>7</td>
<td>1,645,206.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>218,070.00</td>
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<tr>
<td></td>
<td>11</td>
<td>3,270,315.01</td>
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<td></td>
<td>2</td>
<td>387,474.00</td>
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SMWB Purchasing Contracts (percentage)  

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<th></th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
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<tbody>
<tr>
<td></td>
<td>18.18%</td>
<td>10.00%</td>
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<tr>
<td></td>
<td>11.85%</td>
<td>6.77%</td>
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</tbody>
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Approved:

Robert R. Puente  
President/Chief Executive Officer

Reviewed:

Marisol V. Robles  
SMWB Program Manager

Yvonne C. Torres, Director  
Purchasing Division
RESOLUTION NO.

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

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

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

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

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

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

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

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

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

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 5th day of June, 2018

Berto Guerra, Jr., Chairman

ATTEST:

Amy Hardberger, 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>
<tbody>
<tr>
<td>1. Teqsys, Inc. (WBE)</td>
<td>One Time Purchase of Netbackup Appliance <em>(State of Texas DIR-TSO 3926)</em> Bid No. 18-18061</td>
<td>All</td>
<td>$169,404.00</td>
<td>This is a one time purchase of Netbackup Appliances. System has over 100 Terabytes (100,000 Gigabytes) of data that gets backed up on a regular basis. This purchase is to replace the two older NetBackup appliances that have reached their end of life.</td>
</tr>
<tr>
<td>2. Kusters Zima Corporation</td>
<td>Purchase of Four (4) each Mechanically Cleaned Bar Screens with Multiple Rake Blades for Dos Rios WRC Bid No. 18-18047</td>
<td>All</td>
<td>$491,895.01</td>
<td>This is a one time purchase of four mechanically cleaned bar screens with multiple rake blades for the Dos Rios WRC. This will be used to remove wipes and other large materials that flow through the sewer system making its way to the plant.</td>
</tr>
<tr>
<td>3. Kyrish Truck Centers, LLC</td>
<td>Purchase of eight (8) each 50,000 GVWR Cab and Chassis (Single Cab) Truck with Installed 10 cubic yard (Water Level) Dump Body Bid No. 18-18048</td>
<td>All</td>
<td>$828,000.00</td>
<td>These units are part of the 2018 vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td>4. Grapevine Dodge, Chrysler, Jeep</td>
<td>Purchase of six (6) each 6,300 GVWR (minimum) 4x2 wide and short bed (no outside fenders) extended club, double, super cab pickup trucks Bid No. 18-18049</td>
<td>1</td>
<td>$135,810.00</td>
<td>These units are part of the 2018 vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
</tbody>
</table>

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

Board Date: June 5, 2018
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. CB Solutions, LP</td>
<td>Annual Contract for Instrumentation Calibration Services Bid No. 18-8042</td>
<td>All</td>
<td>$268,163.00</td>
<td>This is a new contract. This contract will be utilized by the System to provide Instrumentation Calibration Services to assist the controls group staff with maintaining their equipment accuracy by a qualified contractor. This contract shall include calibrations of temperature, flow, level and pressure instrument throughout various SAWS locations. This contract will be effective Date of Award (June 5, 2018) through May 31, 2019. 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. New Earth, Inc.</td>
<td>Annual Contract for Supply of Topsoil Bid No. 18-14070</td>
<td>All</td>
<td>$548,090.00</td>
<td>This is a new contract. This contract will be utilized to provide for the supply of topsoil for pipe bedding and backfill on in-house repairs performed by Distribution &amp; Collections Operations. This contract will be effective Date of Award (June 5, 2018) through May 31, 2019. 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>
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Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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<tbody>
<tr>
<td>Dahill Office Technology Corporation</td>
<td>Annual Contract for Multi-Functional (Fax/Scan/Printing/Copy Equipment and Wide Format Printing Equipment</td>
<td>All</td>
<td>$128,742.00</td>
<td>This is a current Best Value Bid contract and additional funds are being requested. This contract is utilized to provide for the supply of office multi-functional fax/scan/print/copy equipment and wide format printers (plotters), with associated services and supplies for each. This item was previously Board awarded on 05/03/2016 for an amount of $687,415.69 for the original 3-year Base Period (May 3, 2016 - May 2, 2019) and it approved two additional one-year extension periods as provided for and approved in future year's budget. There have been additional requirements throughout the System, thus this Board items seeks to increase the dollars of the base period by $128,742.00 and by $57,284.64 for extension years. This reflects an 18.7% increase for initial three year period (June 5, 2018 - May 2, 2019, revised total of $816,157.69) and a 25% increase for each extension period (revised total of $286,423.20).</td>
</tr>
<tr>
<td>CB Solutions, LP</td>
<td>Annual Contract for Endress &amp; Hauser Ultrasonic Flow Meters</td>
<td>All</td>
<td>$211,606.00</td>
<td>This is a new contract. This contract will be utilized for the purchase of Endress &amp; Hauser Ultrasonic flow meters to be used throughout the System Production and Treatment facilities where there is a need for an ultrasonic flow meter. This contract will be effective Date of Award (June 5, 2018) through May 31, 2019. 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>
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Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Macaulay Controls (WBE)</td>
<td>Annual Control for Multi-Point Gas Detectors, Sensors &amp; Other Related Miscellaneous Supplies Bid No. 18-1213A</td>
<td>All</td>
<td>$ 218,070.00</td>
<td>This is a new contract. This contract will be utilized by the System for the supply and delivery of multi-point gas detectors and sensors for the Instrumentation and Controls Department. These parts are for preventative maintenance, corrective maintenance and programmable/configurable software. This contract will be effective Date of Award (June 5, 2018) through May 31, 2019. 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>
<tr>
<td>6. Macon Concrete Products, Inc.</td>
<td>Biennial Contract for Precast Concrete Thrust Blocks Bid No. 18-0389A</td>
<td>All</td>
<td>$ 115,000.00</td>
<td>This is a new contract. This contract will be utilized by the System for the purchase of Pre-Cast Concrete Thrust Blocks on an as needed basis. These products are used by our Distribution &amp; Collection crews when repairing or installing fire hydrants and production lines where water hammering occurs. This contract will be effective Date of Award (June 5, 2018) through May 31, 2020. 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>
<tr>
<td>7. Core &amp; Main, LP</td>
<td>Annual Contract for PVC SDR-26 Pipe Bid No. 18-0155</td>
<td>All</td>
<td>$ 155,535.00</td>
<td>This is a new contract. This contract will be utilized by the System for the purchase of SDR-26 PVC Pipe &amp; Fittings on an as needed basis to be used by the maintenance crews for sewer line repairs. This contract will be effective Date of Award (June 5, 2018) through May 31, 2019. If determined that an extension is favorable to System, price and service considered, the award includes the availability of one (1) additional one-year options to extend as provided for, and approved in future year's budgets.</td>
</tr>
</tbody>
</table>

$ 1,645,206.00

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<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>NETBACKUP APPLIANCE 5240 103TB 4 1GB ETHERNET - 2 10GBT CU ETHERNET - 4 10GB SFP ETHERNET - 6 8 GB FIBRE CHANNEL STANDARD APPLIANCE + ESSENTIAL MAINTENANCE BUNDLE INITIAL 36MO GOV</td>
<td><strong>84,702.00</strong></td>
<td><strong>169,404.00</strong></td>
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<td>Part No. 17939-M0034</td>
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<td>2 ea.</td>
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<td><strong>110,977.64</strong></td>
<td><strong>221,955.28</strong></td>
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<td>TOTAL</td>
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<td></td>
<td>TOTAL</td>
<td><strong>221,955.28</strong></td>
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<td>3-5 days</td>
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<td>15 days</td>
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</tbody>
</table>
SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  

TABULATION OF BIDS  
Purchase of Four (4) Mechanically Cleaned Bar Screens with Multiple Rake Blades for Dos Rios WRC  

3:00 p.m., April 25, 2018  

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
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<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
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<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>4 ea. DRHWFS - Mechanical Screens</td>
<td>84,958.44</td>
<td>339,833.76</td>
<td>106,120.00</td>
<td>424,480.00</td>
<td>114,807.00</td>
<td>459,228.00</td>
<td>116,637.00</td>
<td>466,548.00</td>
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<td>2 ea. Control Panels</td>
<td>58,004.38</td>
<td>116,008.76</td>
<td>69,373.00</td>
<td>138,746.00</td>
<td>61,646.00</td>
<td>123,292.00</td>
<td>88,482.00</td>
<td>176,964.00</td>
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<td>3</td>
<td>2 ea. Local HOA Control Panels</td>
<td>8,491.87</td>
<td>16,983.74</td>
<td>2,155.00</td>
<td>4,310.00</td>
<td>2,042.00</td>
<td>4,084.00</td>
<td>9,723.00</td>
<td>19,446.00</td>
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<td>4</td>
<td>1 LS Spare Parts</td>
<td>19,068.75</td>
<td>19,068.75</td>
<td>18,912.00</td>
<td>18,912.00</td>
<td>17,197.00</td>
<td>17,197.00</td>
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<td>TOTAL</td>
<td>491,895.01</td>
<td>586,448.00</td>
<td>603,801.00</td>
<td>668,018.00</td>
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**MAKE/MODEL**

<table>
<thead>
<tr>
<th>MAKE/MODEL</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
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<tr>
<td>MRS 2230 x 75/6 Qty 1</td>
<td>106,120.00</td>
<td>114,807.00</td>
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<tr>
<td>MRS 2174 x 75/6 Qty 3</td>
<td>69,373.00</td>
<td>61,646.00</td>
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</table>

**Terms**

- %: 2%
- Net: 10 days
- Net: 30 days
- Net: 30 days

**Delivery Schedule**

- 182 days
- 120-150 days
- 154 days
- 200 days

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

- Duperon Corp.
- Franklin Miller
- Headworks International
- Headworks International
- Huber Technology
- Kusters Water
- Vision Equipment
- Vulcan
- Waste Water Tech Inc.
- Demandstar
- SAWS Website
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  

**TABULATION OF BIDS**

**PROPOSAL:** Purchase of 50,000 GVWR Cab and Chassis (Single Cab) Truck with Installed 10 cubic yard (Water Level) Dump Body  
**TIME & DATE:** 3:00 p.m., May 1, 2018  

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
<th>TERMS</th>
<th>DELIVERY DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 ea. 50,000 GVWR cab and chassis (single cab) with Installed 10 cubic yard (water level) dump body, complete, per specifications</td>
<td><strong>UNIT</strong></td>
<td><strong>PRICE</strong></td>
<td><strong>TOTAL</strong></td>
<td><strong>Net</strong></td>
<td><strong>30 days</strong></td>
</tr>
<tr>
<td>Manufacturer and Model</td>
<td><strong>Net</strong></td>
<td><strong>Net</strong></td>
<td><strong>Net</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terms</td>
<td>30 days</td>
<td>30 days</td>
<td>30 days</td>
<td></td>
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</tr>
</tbody>
</table>

*LOW BIDDER*

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

- Doggett Freightliner  
- Grande Truck Center  
- Kenworth French Ellison Truck Center  
- Rush Truck Centers of TX  
- Kyrish Truck Center  

- Demandstar  
- SAWS Website
Purchase of Various Types of Light Duty Trucks

**ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>6 ea. 6,300 GVWR (minimum) 4x2 wide and short bed (no outside fenders) extended cab, double, super cab pickup truck State Make, Model</td>
<td>$22,635.00</td>
<td>$135,810.00</td>
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<tr>
<td>2.</td>
<td>1 ea. 11,000 GVWR (minimum) two-wheel drive, extended cab truck with installed service body State Make, Model</td>
<td>$51,803.00</td>
<td>NO BID</td>
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**ITEM 2 AWARDED INFORMALLY ($58,000 - $100,000)**

<table>
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<tr>
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<th>DESCRIPTION</th>
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<th>TOTAL</th>
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</thead>
<tbody>
<tr>
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<td>$51,132.00</td>
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</tbody>
</table>

**Terms**

| Delivery Days | 150 days | 90-120 days | 120-180 days | 120-180 days | 150 days |

**LOW BIDDER**

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

- Alamo City Chevrolet
- Ancira Chrysler, Jeep, Dodge Ram
- Bluebonnet Chrysler Dodge
- Caldwell Country Chevrolet
- Grande Truck Center
- Grapevine
- Jordan Ford
- Lake Country Chevrolet
- North Park Toyota
- Red McCombs Ford
- Sans Pack’s Five Star Ford
- Silsbee Ford
- Toyota of Boerne

**TABULATION OF BIDS**

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

**DATE:** 3:00 p.m., May 1, 2018
## SAN ANTONIO WATER SYSTEM

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

### TABULATION OF BIDS

**FOR:** Instrumentation Calibration Services  
**TIME & DATE:** 3:00 p.m., April 10, 2018  

<table>
<thead>
<tr>
<th>S#</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
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<tbody>
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<td>1</td>
<td>1 ea. Rosemount, 11151GP, PROD220P9001, Dos Rios WRC</td>
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<td>289.00</td>
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<tr>
<td>2</td>
<td>2 ea. Acousonic, 7510+, DR011NF01, Dos Rios WRC</td>
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<td>37,500.00</td>
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<td>2,312.00</td>
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<tr>
<td>4</td>
<td>5 ea. Fluid Components International, FCI ST-50, DR05ADF101, Dos Rios WRC</td>
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<td>8,575.00</td>
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<tr>
<td>5</td>
<td>5 ea. Rosemount, 2051T, DR05ADF101, Dos Rios WRC</td>
<td>289.00</td>
<td>1,445.00</td>
</tr>
<tr>
<td>6</td>
<td>1 ea. Rosemount, 3144P, Dos Rios WRC</td>
<td>289.00</td>
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<tr>
<td>7</td>
<td>4 ea. Rosemount, 444RLT, DR05ADTI01, Dos Rios WRC</td>
<td>289.00</td>
<td>1,156.00</td>
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<tr>
<td>8</td>
<td>5 ea. Rosemount, 444RLT, DR05ADTI01, Dos Rios WRC</td>
<td>289.00</td>
<td>1,445.00</td>
</tr>
<tr>
<td>9</td>
<td>1 ea. GE Panametrics, AT868, INSTFLOW, Dos Rios WRC</td>
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<td>5,202.00</td>
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<td>4,420.00</td>
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<td>884.00</td>
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<td>1 ea. Endress Hauser, Prosonic Flow 91, INSTFLOW, De-sal Plant</td>
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</table>
# SAN ANTONIO WATER SYSTEM

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

## TABULATION OF BIDS

**DESCRIPTION AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
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<tbody>
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<tr>
<td>31</td>
<td>Siemens, SITRANS FM Mag 3100 6&quot;, INSTFLOW, De-sal Plant - RO Skid</td>
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<tr>
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<tr>
<td>34</td>
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</table>

**Date of Award through May 31, 2019**

**All proposals must be submitted by 3:00 p.m., April 10, 2018**
# SAN ANTONIO WATER SYSTEM
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449

## TABULATION OF BIDS

**PROPOSAL: **Annual Contract for Instrumentation Calibration Services  
**DATE: **(Date of Award through May 31, 2019)  
**TIME: **3:00 p.m., April 10, 2018

### ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
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<td>53.</td>
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<td>68.</td>
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<td>ITEM NO.</td>
<td>DESCRIPTION AND APPROXIMATE QUANTITY</td>
<td>UNIT PRICE</td>
<td>TOTAL</td>
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<td>GE Panametrics, XMT868-2-11-AA-0111, PROD014FI904, Seale</td>
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<td>122.</td>
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<td>123.</td>
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<td>GE Panametrics, XMT868, PROD015FI201, Turtle Creek</td>
<td>875.00</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 Instrumentation Calibration Services (Date of Award through May 31, 2019)

**Date:** 3:00 p.m., April 10, 2018

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
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<td>125.</td>
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<td>578.00</td>
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<td>126.</td>
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<td>127.</td>
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<td>Estimated Labor Hours needed for Technician</td>
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<td>41,700.00</td>
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</table>

**GRAND TOTAL**

| TOTAL | 268,163.00 |

**EXTENSION 1**

| TOTAL | 268,163.00 |

**EXTENSION 2**

| TOTAL | 268,163.00 |

**EXTENSION 3**

| TOTAL | 268,163.00 |

**Terms**

| 1% | 10 days |

**Delivery Days**

| 20 days |

*LOW BIDDER*

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

- CB Solutions, LP
- Accura Calibration
- DeWitt Calibration Services
- Dynamic Measurement Systems
- Global Instrumentation Services
- Instrument Calibration Services
- Jeff Bonner Research & Development
- Laminar Technologies
- Micro Precision Calibration
- Prime Controls
- Demandstar
- Rothe Co.
- Sears Calibration
- Texas Special Instrument
- The Rothe Co.
- Thermal Solutions of TX
- Weighing Technologies
Bid No. 18-8042 solicited bids for the purchase of Instrumentation Calibration Services to assist the controls group staff with maintaining their equipment accuracy by a qualified contractor. This contract shall include calibrations of temperature, flow, level, and pressure instrument throughout various SAWS locations/facilities.

The bids were send to 15 different vendor from the email bidders list. When this was previously bid, only one response was received. CB Solutions LP is the single responsible bidder for the Annual Contract for Instrumentation Calibration Services.

The contractor is responsible for ensuring that all calibrations are in compliance with the manufacturer’s specifications specified for each component. This contract also mandates that the contractor provide calibration sheets for every component calibrated to certify the equipment accuracy.

The calibration of this equipment is extremely important because this measure and monitor the accuracy of the various systems. It also allows us to keep labor costs to a minimum since the control group which perform maintenance can focus on the most critical area in the systems.

<table>
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<th></th>
<th>SAWS</th>
<th>AMOUNT TO BE TAKEN TO THE BOARD</th>
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<td>Original POP</td>
<td>$268,163.00</td>
<td>$268,163.00</td>
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<td>Extension 3</td>
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- The **Annual** award amount is $268,163.00
SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449
TABULATION OF BIDS

ANNUAL CONTRACT for the Supply of Topsoil

(Date of Award through May 31, 2019
3:00 p.m., April 3, 2018

**DESCRIPTION AND APPROXIMATE QUANTITY**

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<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
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<td>1.</td>
<td>15,000 Tons Topsoil - Delivery to Sites with Truck Scales</td>
<td>Lawson No. TBD</td>
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<td>Lawson No. 46456</td>
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<td>33.50</td>
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<td>3.</td>
<td>1,000 cubic yard Topsoil - Delivery to Jobsite</td>
<td>Lawson No. 46458</td>
<td>20.74</td>
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<td>33.50</td>
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<td>4.</td>
<td>10 ea. Expedited Delivery Charge (For Emergency Orders Only)</td>
<td>Lawson No. 46458</td>
<td>50.00</td>
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<tr>
<td><strong>GRAND TOTAL</strong></td>
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| EXTENSION 1 | 548,090.00 |

| EXTENSION 2 | 548,090.00 |

| EXTENSION 3 | 548,090.00 |

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<th>Net 30 days</th>
<th>Net 30 days</th>
<th>2% 10 days</th>
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<td>24 hours</td>
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* Lowest Bidder

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

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<th>M&amp;M Marble</th>
<th>SAWS Website</th>
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<tr>
<td>Alamo Stone Art</td>
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<td>Diamond S Construction</td>
<td>Martin Marietta</td>
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<td>Dirtworks</td>
<td>Morris Co.</td>
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<td>Fertile Garden</td>
<td>New Earth, Inc.</td>
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<td>Galo Equipment</td>
<td>Oppies Topsoil Sand &amp; Gravel</td>
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<tr>
<td>Garden-Ville</td>
<td>Oscar Gutierrez Trucking</td>
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<tr>
<td>Hall and Sons Transport</td>
<td>Pronto Sand Blasting</td>
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<td>Jarco Transport</td>
<td>TexasStone Quarries</td>
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<td>K.D. Williams Const.</td>
<td>Timms Trucking</td>
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<td>Keller Material</td>
<td>TX Sand &amp; Gravel</td>
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<tr>
<td>Landscape Solutions &amp; Nursery</td>
<td>Vulcan Materials</td>
<td></td>
</tr>
</tbody>
</table>
BEST VALUE BID
For
MULTI-FUNCTIONAL (FAX/SCAN/PRINTING/COPY EQUIPMENT), AND
WIDE FORMAT PRINTING EQUIPMENT

SAWS Bid # 15-5039

SUPPLEMENTARY COMMENTS:

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

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

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

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

TOTAL 100

SAWS received bids from the following companies:

<table>
<thead>
<tr>
<th>No</th>
<th>Bidders Name</th>
<th>Bid Amount</th>
<th>Best Value Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>* Dahill Office Technology Corporation</td>
<td>** Base Period: $679,015.69 Extension 1: $226,338.56 Extension 2: $226,338.56 Total: $1,131,692.81</td>
<td>339.25</td>
</tr>
<tr>
<td>2</td>
<td>Canon</td>
<td>**Base Period: $810,788.60 Extension 1: $270,262.87 Extension 2: $270,262.87 Total: $1,351,314.34</td>
<td>333.35</td>
</tr>
</tbody>
</table>
**Base Period:** $1,064,440.18  
Extension 1: $ 308,206.23  
Extension 2: $ 308,206.23  
**Total:** $1,680,852.64

**Bid not considered for award as Wide-Format Printer equipment proposed did not meet the minimum requirements of the request for bid. Pricing not identified based on the above.**

*Bidder offering the best value*

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

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

<table>
<thead>
<tr>
<th></th>
<th>SBE</th>
<th>0.00%</th>
<th>MBE – African American</th>
<th>0.00%</th>
<th>MBE - Asian</th>
<th>0.00%</th>
<th>MBE - Hispanic</th>
<th>0.00%</th>
<th>MBE - Other</th>
<th>0.00%</th>
<th>WBE - Minority</th>
<th>0.00%</th>
<th>WBE – Non-Minority</th>
<th>0.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Best Value Bid for SAWS Bid No. 15-5039</strong></td>
<td><strong>MULTI-FUNCTIONAL (FAX/SCAN/PRINTING/COPY EQUIPMENT, AND</strong></td>
<td><strong>WIDE FORMAT PRINTING EQUIPMENT</strong></td>
<td><strong>DAHILL OFFICE TECHNOLOGY</strong></td>
<td><strong>SMWB ANALYSIS – BOARD AWARD</strong></td>
<td><strong>SMWB Total</strong></td>
<td><strong>0.00%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Revision 02/05/15
**SAN ANTONIO WATER SYSTEM**  
**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS  78298-2449**  
**TABULATION OF BIDS**

**PROPOSAL FOR TIME & DATE ITEM NO**

1. **San Antonio Water System**  
   P. O. Box 2449  
   San Antonio, Texas 78298-2449

**Tabulation of Bids**

Annual Contract for Endress Hauser Ultrasonic Flow Meters  
(June 1, 2018 through May 31, 2019)

**3:00 p.m., May 3, 2018**

<table>
<thead>
<tr>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 ea. Prosonic Flow 93WA1, Model No. 93TA1-BABFAA+E2P2P3, as specified above</td>
<td>6,248.00</td>
<td>12,496.00</td>
</tr>
<tr>
<td>15 ea. Prosonic Flow 93WA1, Model No. 91WA1-AA2D20ACB4AA, as specified above</td>
<td>3,084.00</td>
<td>46,260.00</td>
</tr>
<tr>
<td>15 ea. Prosonic Flow 93WA4, Model No. 93WA2-AA2D00ACBAAA, as specified above</td>
<td>4,427.00</td>
<td>66,405.00</td>
</tr>
<tr>
<td>15 ea. Prosonic Flow 93PA1, Model No. 93PA1-AB2D20ACBAA2</td>
<td>5,763.00</td>
<td>86,445.00</td>
</tr>
</tbody>
</table>

**TOTAL**  
**211,606.00**

**Catalog Pricing**

<table>
<thead>
<tr>
<th>Percent of discount or markup offered</th>
<th>Endress Hauser</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Identification (Mfg.)</th>
<th>Endress Hauser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type Price Schedule (Dealer, Jobber etc.)</td>
<td>N/A</td>
</tr>
<tr>
<td>Price Schedule Number</td>
<td>N/A</td>
</tr>
<tr>
<td>Date of Price Schedule</td>
<td>Oct. 2017</td>
</tr>
<tr>
<td>Price Schedule Column on which discount or markup is based (i.e., distributor, net, wholesale)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Extension 1**  
**211,606.00**

**Extension 2**  
**211,606.00**

**Extension 3**  
**211,606.00**

**Terms**  
Net 30 days

**Delivery Days**  
30 days

*LOW BIDDER*

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

- CB Solutions  
- Demandstar  
- Eads  
- SAWS Website  
- Instrumart  
- Lone Star Int'l  
- Macaulay Controls Co.  
- Vector Controls & Automation  
- Technology International, Inc., Suite 241, Lake Mary, FL 32746
BID NO. 18-16021
ANNUAL CONTRACT FOR ENDRESS AND HAUSER ULTRASONIC FLOW METERS
SINGLE SOURCE

Bid No. 18-16021 solicited bids for the purchase of Endress & Hauser ultrasonic flow meters on and as need basis. These products are used in the system by our Instrumentation & Controls group.

The bids were sent to 7 different vendors and viewed by 49 from the SAWS website. The previous time this was bid the 2 other vendor responses were considered non-responsive. One bid submission was for a product not approved and the other did not follow bidding procedures. CB Solutions, LP is the single responsible bidder for the Annual Contract for Endress & Hauser Ultrasonic Flow Meters.

SAWS Production and Treatment has tried a number of flow meters over the last twenty (20) years, including ABB, Siemens, Panametrics, Sierra, and Endress & Hauser (E+H). Our goal has always been to procure the best flow meter for the application and to adhere to regulatory compliance.

We have currently standardized on E+H flow meters (where there is a need for an ultrasonic meter) for Production and Treatment facilities so that we can stock associated hardware and programmable/configurable software and have them interchangeable, which is extremely important in the middle of the night when we get a call-out to a facility that is showing a faulty flow value because customers must have water or a Treatment facility must pump sludge. With over 300 flow meter installations it is important to keep labor costs to a minimum since we are trying to use the same amount of staff in the Instrumentation & Controls group to maintain all of these flow meters.

<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>$211,606.00</td>
<td>$211,606.00</td>
</tr>
<tr>
<td>Extension 1</td>
<td>$211,606.00</td>
<td>$211,606.00</td>
</tr>
<tr>
<td>Extension 2</td>
<td>$211,606.00</td>
<td>$211,606.00</td>
</tr>
<tr>
<td>Extension 3</td>
<td>$211,606.00</td>
<td>$211,606.00</td>
</tr>
</tbody>
</table>

- The Annual award amount is $211,606.00
### SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**ANNUAL CONTRACT FOR MULTI-POINT GAS DETECTORS, SENSORS & OTHER RELATED MISCELLANEOUS SUPPLIES**

**DATE:** 3:00 p.m., May 3, 2018

**DESCRIPTION AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Multipoint Gas Detector</td>
<td>332.40</td>
<td>199,440.00</td>
</tr>
<tr>
<td>1</td>
<td>Chlorine Sensor Modules</td>
<td>621.00</td>
<td>18,630.00</td>
</tr>
</tbody>
</table>

**BASE YEAR TOTAL:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multipoint Gas Detector</td>
<td>332.40</td>
<td>199,440.00</td>
</tr>
<tr>
<td>Chlorine Sensor Modules</td>
<td>621.00</td>
<td>18,630.00</td>
</tr>
</tbody>
</table>

**EXTENSION OPTION 1 TOTAL:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multipoint Gas Detector</td>
<td>332.40</td>
<td>199,440.00</td>
</tr>
<tr>
<td>Chlorine Sensor Modules</td>
<td>621.00</td>
<td>18,630.00</td>
</tr>
</tbody>
</table>

**EXTENSION 2 TOTAL:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multipoint Gas Detector</td>
<td>640.00</td>
<td>19,200.00</td>
</tr>
<tr>
<td>Chlorine Sensor Modules</td>
<td>640.00</td>
<td>19,200.00</td>
</tr>
</tbody>
</table>

**EXTENSION 3 TOTAL:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multipoint Gas Detector</td>
<td>640.00</td>
<td>19,200.00</td>
</tr>
<tr>
<td>Chlorine Sensor Modules</td>
<td>640.00</td>
<td>19,200.00</td>
</tr>
</tbody>
</table>

**GRAND TOTAL (BASE YEAR, EXT 1, EXT 2, EXT 3):**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net</td>
<td>885,780.00</td>
</tr>
</tbody>
</table>

**Terms:**

* 30 days

**Delivery Days:**

* 30 days

*LOW BIDDER*

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

- Cemtrex, Inc.
- CTI Engineering
- Federal Resources Supply
- Hanna Intl.
- Macaulay Controls
- MSC Industrial Supply
- MSD Direct
- PK Safety
- RHFS
- Safety Ind.
- Safety Supply
- Severn Trent Services

**Demandstar**

**SAWS Website**
Bid No. 18-1213A will be utilized by the System for the supply and delivery of Multi-Point gas detectors and sensors for the Instrumentation and Controls Department. These parts are for preventative maintenance, corrective maintenance, and programmable/configurable software.

The first bid was sent to 3 authorized resellers of Severn Trent branded materials, and it was downloaded from www.saws.org by 10 vendors. One responsive bid was received.

In an effort to increase competition the brand name of Severn Trent was removed and this project was re-bid. The bid was then sent to 11 vendors, and it was downloaded from www.saws.org by 18 vendors. One responsive bid was received.

Award amount for the annual base year is $218,070.00, $218,070.00 for extension option one, and $224,820.00 per year for each extension options two and three.
## SAN ANTONIO WATER SYSTEM
**P. O. BOX 2449**
**SAN ANTONIO, TEXAS 78298-2449**

### TABULATION OF BIDS

**PROPOSAL**

Biennial Contract for

**FOR.**

Precast Concrete Thrust Block

**TIME & DATE.**

(June 1, 2018 through May 31, 2020)

3:00 p.m., May 3, 2018

### ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Concrete Thrust Blocks (Large), Size 12&quot; x 12&quot; x 4&quot;, per specifications</td>
<td>15.00</td>
<td>52,500.00</td>
</tr>
<tr>
<td></td>
<td>SAWS No. 9688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Concrete Thrust Blocks (Small), Size 8&quot; x 4&quot; x 2&quot;, per specifications</td>
<td>10.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td></td>
<td>SAWS No. 9690</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL 1 YEAR**

**TOTAL 2 YEARS**

**EXTENSION 1**

$57,500.00

**EXTENSION 2**

$57,500.00

**EXTENSION 3**

$57,500.00

**Terms**

Net 30 days

**Delivery Days**

60 days

---

**LOW BIDDER**

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

- Act Pipe
- Bexar Concrete Works, Inc.
- Capital Precast
- Comal Concrete Products
- Core and Main
- Dittmar Lumber
- Duran Precast Service
- Ferguson
- Fortilime
- Lynwood
- Macon Concrete
- Old Castle
- Royall Matthiessen
- Demandstar
- SAWS Website
- Demandstar
- SAWS Website
Bid No. 18-0389A solicited bids for the purchase of pre-cast concrete thrust blocks on and as need basis. These products are used in the system by our Distribution & Collection crews when repairing or installing fire hydrants and production lines where water hammering occurs. These items are used to minimize the movement of valves, fitting or pipe when used in the installation.

Bids were sent to 13 vendors directly, and over 59 bid notification were sent out to registered vendors. These products have to be manufactured according to the SAWS specifications which are 3000 psi for the large block and 4000 psi for the small blocks. Macon Concrete Products is the single responsible bidder for the Biennial Contract for Pre-Cast Concrete Thrust Blocks.

These items are ordered by our warehouse for inventory and are used by our D & C crews. Macon Concrete Products has been the only bidder on the contract since 2008. The cost for this item has only increased by 27% for the large thrust block which makes up the majority of the contract purchases.

These items are important to the system since they are used to minimize the physical movement of our assets that results from water hammering. This helps to keep the labor cost down by preventing leaks due to shifting and movement of the assets.

<table>
<thead>
<tr>
<th>Original POP (2 Years Period)</th>
<th>SAW$</th>
<th>AMOUNT TO BE TAKEN TO THE BOARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original POP (2 Years Period)</td>
<td>$115,000.00</td>
<td>$115,000.00</td>
</tr>
<tr>
<td>Extension 1</td>
<td>$57,500.00</td>
<td>$57,500.00</td>
</tr>
<tr>
<td>Extension 2</td>
<td>$57,500.00</td>
<td>$57,500.00</td>
</tr>
<tr>
<td>Extension 3</td>
<td>$57,500.00</td>
<td>$57,500.00</td>
</tr>
</tbody>
</table>

- The Biennial award amount is $115,000.00
<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPARENT QUANTITY</th>
<th>MANUFACTURER</th>
<th>PRICE SHEET OR CATALOG</th>
<th>DATE OF SCHEDULE</th>
<th>PERCENT DISCOUNT</th>
<th>TOTAL GROUP 1</th>
<th>ADDITIONAL SIZE &amp; ITEMS NOT LISTED ABOVE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDR-26 PVC PIPE (14' JOINTS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4&quot; SDR-26, (SAWS No. 14780)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>148,036.00</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>15,000 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>164,514.00</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>6&quot; SDR-26, (SAWS No. 14787)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>184,484.00</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>12,000 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>160,597.00</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>1,000 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>10&quot; SDR-26, (SAWS No. 14757)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>1,400 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>12&quot; SDR-26, (SAWS No. 14764)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>300 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>18&quot; SDR-26, (SAWS No. 14800)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>21&quot; SDR-26, (SAWS No. 14801)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>300 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>24&quot; SDR-26, (SAWS No. 14802)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**GROUP 2**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPARENT QUANTITY</th>
<th>MANUFACTURER</th>
<th>PRICE SHEET OR CATALOG</th>
<th>DATE OF SCHEDULE</th>
<th>PERCENT DISCOUNT</th>
<th>TOTAL GROUP 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SDR-26 PVC PIPE (20' JOINTS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>500 feet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>6&quot; SDR-26, (SAWS No. 14789)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  
**TABULATION OF BIDS**  

**PROPOSAL**  
Annual Contract for PVC SDR-26 Pipe  
**FOR:**  
(Date of Award through May 31, 2019)  
**DATE:**  
3:00 p.m., May 3, 2018

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>Extension I</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>500 feet, 8&quot; SDR-26, (SAWS No. 14793)</td>
<td>4.29</td>
<td>2,145.00</td>
<td>155,535.00</td>
</tr>
<tr>
<td>4.</td>
<td>300 feet, 10&quot; SDR-26, (SAWS No. 14759)</td>
<td>6.73</td>
<td>2,019.00</td>
<td>155,535.00</td>
</tr>
<tr>
<td>5.</td>
<td>1,000 feet, 12&quot; SDR-26, (SAWS No. 14766)</td>
<td>9.59</td>
<td>9,590.00</td>
<td>155,535.00</td>
</tr>
</tbody>
</table>

**TOTAL GROUP 2**  
15,499.00  
17,620.00  
20,228.00  

**ADDITIONAL SIZE & ITEMS NOT LISTED ABOVE**  
**Manufacturer**  
Jim Eagle  
JM/Pipe Life/  
No American/Diamond  
Diamond Plastic Corp.

**Price Sheet or Catalog**  
Block Book  
N/A

**Date of Schedule**  
May 1, 2015  
N/A

**Percent Discount**  
Block 115  
N/A

**EXTENSION 1**  
155,535.00

**Terms**  
Net 30 days  
Net 30 days  
Net 30 days  
Net 30 days

**Delivery Days**

*LOW BIDDER*

**BID INVITATION E-MAILED TO AND/OR PICKED UP BY:**  
Act Pipe and Supply  
HD Supply Waterworks  
Demandstar  
Cohen Pipe  
Hydopro Solution  
SAWS Website  
Core and Main  
KLP Commercial  
Mifford Online  
Ferguson  
Morrison Supply  
Fortiline Waterworks  
MS Techline Pipe  
Gajeske
TO: San Antonio Water System Board of Trustees

FROM: Tracey B. Lehmann, P.E., Director, Development, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF AMENDMENTS TO THE SAN ANTONIO WATER SYSTEM UTILITY SERVICE REGULATIONS

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves amendments to the San Antonio Water System (the “System”) Utility Service Regulations (USR).

- The USR establishes the policies and procedures for the extension of water, wastewater and recycled water services to its customers.

- The USR’s were approved by the Board on February 18, 2003 by Resolution No. 03-083. There have been 11 amendments to the USR approved by the Board.

- The request for an amendment to the USR was initiated by the System’s staff in partnership with City of San Antonio staff.

- The proposed amendments include:

  o Section 12.4 SINGLE CUSTOMER EXTENSION PAYMENT PLAN. Replacing the current USR section heading, 12.4 HARDSHIP EXTENSION PROGRAM.

  o Section 12.4.1. Payment Plan Outline.
    - Replaced instances of ‘Hardship Program’, with ‘Payment Plan’.
    - Added provisions to include small businesses in the Single Customer Extension Payment Plan.
    - Added limitation of one active Single Customer Extension Payment Plan per petitioner.

  o Section 12.4.2. Procedures. Added qualification requirements for small businesses applying for a Single Customer Extension Payment Plan to include:
    - Certification as a small business by the South Central Texas Regional Certification Agency.
    - Disconnection from a private septic or water well system immediately upon connection to the System’s infrastructure.
These proposed amendments to the USR were provided to Professional Engineers in Private Practice, The Greater San Antonio Builders Association, San Antonio Apartment Association, Associated Builders and Contractors, and briefed to the Real Estate Council of San Antonio and the Fair Contracting Coalition. No objections to the amendments have been received and the Real Estate Council of San Antonio and the Fair Contracting Coalition have voiced their support of the amendments.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The proposed amendments to the USR provides certain small businesses, as certified by the South Central Texas Regional Certification Agency, a payment plan to extend services and pay impact fees leading to future revenues for the System.

Tracey B. Lehmann, P.E.
Director
Development

Andrea L.H. Beymer, 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 AMENDING RESOLUTION NO. 03-083 BY APPROVING AMENDMENTS TO THE UTILITY SERVICE REGULATIONS; 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 Board of Trustees (the “Board of Trustees”) approved the Utility Service Regulations (USR), Water, Wastewater, and Recycled Water on February 18, 2003, pursuant to Board Resolution No. 03-083; and

WHEREAS, the Board of Trustees have previously approved amendments to the USR on eleven occasions; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to adopt these changes to the Utility Service Regulations; now, therefore:

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

1. That these amendments to the San Antonio Water System Utility Service Regulations are hereby approved and implemented and are attached hereto as Attachment I and incorporated herein for all purposes.

2. 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.

3. 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.

4. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 5\textsuperscript{th} day of June, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Attachment:
1. Amendments to Utility Service Regulations
12.4 SINGLE CUSTOMER EXTENSION PAYMENT PLAN

12.4.1 Payment Plan Outline
The Single Customer Extension Payment Plan assists individual customers with the costs for SAWS’ extension of water and wastewater services to their residence or small business. This payment plan applies only to single-family residential or small business commercial lots within SAWS’ water and wastewater certificated service areas where the customer will live or own and operate a small business on the property upon the connection of water or wastewater service. The petitioner is limited to one active Single Customer Extension Payment Plan. The petitioner must own the property to be served and all property taxes must be paid up to date or verifiable arrangements made to pay back taxes. SAWS’ assistance under this payment plan is in the form of an installment payment agreement. The costs of any pre-installed main extension and service line connection incurred by SAWS (including impact fees, pro-rata charges, and the extension charges), with interest equal to SAWS’ costs, may be paid monthly over a period not to exceed five years. No other costs, including, the customer’s construction costs, may be included in the payment plan. A lien in favor of SAWS will be placed on the property until the balance is paid in full. In the event the customer installs a pro-rata eligible main extension, any refunds from the proceeds of the pro-rata charges collected from other customers who connect to the main extension will be credited to the assisted customer’s monthly payment. A customer account charge, if required, and a lien recording fee may not be financed through this payment plan.

12.4.2 Procedures
An applicant for assistance under this payment plan must submit a letter to SAWS documenting the nature of the applicant’s request. SAWS staff will determine the costs of the service extension and develop a proposed monthly payment plan. Applications will be approved administratively if the cost to the single customer is less than the dollar amount for which Board approval is required. In order for a small business to qualify for this payment plan, the small business must: i) be certified as a small business by the South Central Texas Regional Certification Agency; ii) currently obtain service via a private septic or water well system; and iii) disconnect from a private septic or water well system immediately upon connection to the SAWS’ system.
TO: San Antonio Water System Board of Trustees

FROM: Tracey B. Lehmann, P.E., Director, Development, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF EXPENDITURES FOR A PERMANENT WATER LINE EASEMENT IN CONNECTION WITH THE EVANS ROAD 24-INCH WATER MAIN EXTENSION PROJECT

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the expenditure of funds in the amount of $144,382.54 to KB Homes Lone Star, Inc. for permanent water line easements in connection with the Evans Road 24-Inch Water Main Extension Project.

- On May 3, 2016, by Resolution No. 16-132, the San Antonio Water System (the “System”) Board of Trustees (the “Board”) approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as the Fischer Tract, a 141.23-acre tract, being developed by KB Homes Lone Star, Inc., (the “Developer”), and the oversizing of approximately 14,473 feet of 12-inch water main to 24-inch water main, located along the intersection of Evans Road and Green Mountain Road, in order to conform with the Water Infrastructure Master Plan.

- On January 9, 2018, by Resolution No. 18-022, the System’s Board approved a USA to replace the previous Fischer Tract USA to include the change in oversizing of approximately 6,129 feet of 12-inch water main from 24-inch to 30-inch water main, located along the intersection of Evans Road and Green Mountain Road, in order to conform with the Water Infrastructure Master Plan.

- On January 9, 2018, by Resolution No. 18-023, the System’s Board approved a construction contract, Evans Road 24-Inch Water Main Extension, in the amount of $3,755,970.80 to Qro Mex Construction Co., Inc., a local, MBE-Hispanic contractor, on a Developer Customer construction contract, and authorized the expenditure of funds in the amount of $2,887,650.80 for associated construction fees to Qro Mex Construction Co., Inc., and reimbursement of $288,765.08 for associated design fees to the Developer.

- The Developer has obtained and dedicated easements to the System for the Evans Road 24-Inch Water Main Extension project from Alamo Cement Co. II Ltd.
On February 9, 2016, by Resolution No. 16-049, the System’s Board approved revisions to the Utility Service Regulations which added section 14.7, Limitation of Off-site Easement Acquisitions, which provided an allowance for reimbursements of developer expenses of up to five percent of the System’s construction cost for expenses related to obtaining off-site easements.

- The Developer is eligible for reimbursements of $144,382.54 for associated easement costs in connection with the Evans Road 24-Inch Water Main Extension Project.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Capital Improvement Project, Evans Road 24-Inch Water Main Extension Project, was funded by the Capital Improvements Plan Water Oversize 2017 Projects Fund, job number 17-1064. The reimbursement for the easements associated with Evans Road 24-Inch Water Main Extension Project will be funded by the Capital Improvements Plan Water Oversize 2018 Projects Fund, job number 17-1064. The applicable easement reimbursement fees of $144,382.54 will be paid to the Developer.

Tracey B. Lehmann, P.E.
Director
Development

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

EVANS ROAD 24-INCH WATER MAIN EXTENSION

LEGEND
★ PROJECT SITE
☐ EDWARDS AQUIFER RECHARGE ZONE

San Antonio Water System
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

EVANS ROAD 24-INCH WATER MAIN EXTENSION

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $144,382.54 FOR A PERMANENT WATER LINE EASEMENT TO KB HOMES LONE STAR, INC. IN CONNECTION WITH THE EVANS ROAD 24-INCH WATER MAIN EXTENSION PROJECT; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $144,382.54 FROM THE SYSTEM’S CAPITAL IMPROVEMENTS PLAN WATER MAIN OVERRSIZE 2018 PROJECTS FUND FOR THE EXPENDITURE; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PROVIDE REIMBURSEMENTS OF $144,382.54 TO KB HOMES LONE STAR, INC. FOR THE EASEMENTS; 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. 16-132, approved on May 3, 2016, the San Antonio Water System (the “System”) Board of Trustees (the “Board”) approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as Fischer Tract, a 141.23-acre tract, being developed by KB Homes Lone Star, Inc. (the “Developer”) and the oversize of approximately 14,473 feet of 24-inch water main; and

WHEREAS, by Resolution No. 18-022 approved on January 9, 2018, the System’s Board approved a USA to replace the previous Fischer Tract USA to include the change in oversizing of approximately 6,129 feet of 12-inch water main from 24-inch to 30-inch water main; and

WHEREAS, by Resolution No. 18-023, approved on January 9, 2018, the System’s Board approved a construction contract, Evans Road 24-Inch Water Main Extension, in the amount of $3,755,970.80 to Qro Mex Construction Co., Inc., a local, MBE-Hispanic contractor, on a Developer Customer construction contract, and authorized the expenditures of funds in the amount of $2,887,650.80 for associated construction fees to Qro Mex Construction Co., Inc., and reimbursements of $288,765.08 for associated design fees to the Developer; and

WHEREAS, the Developer has obtained and dedicated easements to the System for the Evans Road 24-Inch Water Main Extension project from Alamo Cement Co. II Ltd.; and
WHEREAS, the Developer is eligible for reimbursements of $144,382.54 for associated easement costs in connection with the Evans Road 24-Inch Water Main Extension Project; and

WHEREAS, funds in the amount not to exceed $144,382.54 are available in the Project Fund for the reimbursement of the Easements to the Developer; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the expenditure of funds in the amount of $144,382.54 for the reimbursements of the Easements for the Evans Road 24-Inch Water Main Extension Project, (ii) authorize the expenditure of funds in an amount not to exceed $144,382.54 from the System’s Capital Improvements Plan Water Oversize 2018 Projects Fund for the reimbursement of the Easements, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to provide reimbursements in an amount not to exceed $144,382.54 to KB Homes Lone Star, Inc. for the Easements; now, therefore:

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

1. That the expenditure of System funds in an amount of $144,382.54 for the Easements in connection with the Evans Road 24-Inch Water Main Extension Project, is hereby approved.

2. That a total amount not to exceed $144,382.54 for the reimbursement of the Easements related to the Evans Road 24-Inch Water Main Extension Project is hereby made available and is to be expended from the Capital Improvements Plan Water Oversize 2018 Projects Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the reimbursement of the Easements and to pay an amount not to exceed $144,382.54 to the KB Homes Lone Star, Inc. for the reimbursement of the Easements.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 5th day of June, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE OL莫斯 Basin Central Watershed Sewer Relief line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $765,988.25 to Cruz Tec, Inc., a local, MBE-Hispanic firm, in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work 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 is part of the Early Action Plan Phase I with a compliance date of July 23, 2019 and will be used to rehabilitate sewer mains in need of repair based on condition assessment.
- This contract will be for the rehabilitation of approximately 2,250 feet of 15-inch and 18-inch sewer main and approximately 100 feet of 24-inch siphon main by the cured-in-place lining method and pipe bursting.
- Cruz Tec, Inc., has submitted the lowest responsible bid of $765,988.25.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $765,988.25 for wastewater related construction work under job number 18-4515.
SUPPLEMENTARY COMMENTS:

Weston Solutions, Inc. prepared the bid proposal and specifications for the project. The Engineer’s estimated construction cost was $780,527.00.

A bid opening was held on May 2, 2018, at 10:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruz Tec, Inc.*</td>
<td>$765,988.25</td>
<td>Local/ MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$780,527.00</td>
<td>Engineer’s Estimate</td>
</tr>
<tr>
<td>T Construction, LLC</td>
<td>$1,023,435.00</td>
<td>Non-Local/ Non-SMWVB</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services Co. Inc.</td>
<td>$2,496,220.00</td>
<td>Local/ MBE-Hispanic</td>
</tr>
<tr>
<td>IPR South Central, LLC</td>
<td>Not Responsible</td>
<td>Non-Local/ Non-SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 1.86 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Olmos Basin Central Watershed Sewer Relief Line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project</th>
<th>Cruz Tec, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
<td></td>
</tr>
<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>88.90%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>11.10%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Olmos Basin Central Watershed Sewer Relief Line (C-3):
Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

Andrea L.H. Beymer, 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 AWARDING A CONSTRUCTION CONTRACT TO CRUZ TEC, INC. IN THE AMOUNT OF $765,988.25 IN CONNECTION WITH THE OLMOS BASIN CENTRAL WATERSHED SEWER RELIEF LINE (C-3): SMALL DIAMETER SEWER REHABILITATION AT THE UNIVERSITY OF THE INCARNATE WORD PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $765,988.25 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 CRUZ TEC, INC., AND TO PAY CRUZ TEC, INC. AN AMOUNT NOT TO EXCEED $765,988.25 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 used to rehabilitate sewer mains in need of repair based on condition assessment; and

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

WHEREAS, Cruz Tec, Inc., a local, MBE-Hispanic firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $765,988.25 for the project work; and

WHEREAS, System funds in the amount of $765,988.25 are required for the project work; and

WHEREAS, the total amount of $765,988.25 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 award a construction contract to Cruz Tec, Inc. in the amount of $765,988.25 in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $765,988.25 from the System’s Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a
construction contract with Cruz Tec, Inc., and to pay Cruz Tec, Inc. an amount not to exceed $765,988.25 for the project work; now, therefore:

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

1. That a construction contract in the amount of $765,988.25 is hereby awarded to Cruz Tec, Inc. in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project.

2. That the expenditure of funds in an amount not to exceed $765,988.25 for the project work is hereby approved and made available from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Cruz Tec, Inc., and to pay Cruz Tec, Inc. an amount not to exceed $765,988.25 in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3): Small Diameter Sewer Rehabilitation at the University of the Incarnate Word Project.

4. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that 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 5th day of June, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary
AGENDA ITEM NO. 10

TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF CHANGE ORDER NO. 2 IN CONNECTION WITH THE DR 999-1002 REHABILITATION PACKAGE PROJECT

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 2 in the amount of $140,732.10 payable to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in connection with the DR 999-1002 Rehabilitation Package Project.

- On November 7, 2017, the Board, by Resolution 17-247, authorized a construction contract with Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. (the “Contractor”) in the amount of $1,498,810.56 for the project work in connection with the DR 999-1002 Rehabilitation Package Project.

- The original project involves rehabilitation of 1.8 miles of existing sewer pipe and related infrastructure. The project is located throughout the city. This project is necessary to rehabilitate sewer infrastructure due to condition and was prioritized as part of the EPA Consent Decree.

- Change Order No. 2 in a total amount not to exceed $140,732.10 provides for the costs associated with the re-building of a San Antonio Housing Authority basketball court, adjustment of sewer manholes, and surface restoration at Loma Vista impacted during a previous San Antonio Water System project.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this additional expenditure included in the CY 2018 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $140,732.10 for Change Order No. 2 and funds will be transferred from the 2018 Owner Controlled Construction Changes line item. The job number is 15-4605.
The authorization and contract amounts for this project are as follows:

<table>
<thead>
<tr>
<th>Contract:</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 17-247)</td>
<td>$1,498,810.56</td>
</tr>
<tr>
<td>Change Order No. 1</td>
<td>41,571.15</td>
</tr>
<tr>
<td>Proposed Change Order No. 2</td>
<td>140,732.10</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$1,681,113.81</td>
</tr>
</tbody>
</table>

The revised construction contract amount for the System’s work as a result of all change orders is $1,681,113.81, which represents an increase of 12.16 percent from the original contract amount.

**SUPPLEMENTARY COMMENTS:**

This change order will not add any additional time to the contract and the completion date is August 12, 2018.

Gail Hamrick-Pigg, P.E.  
Director  
Pipelines  

Andrea L.H. Beymer, P.E.  
Vice President  
Engineering and Construction

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 2 IN THE AMOUNT OF $140,732.10 FOR THE ADDITIONAL PROJECT WORK IN CONNECTION WITH THE DR 999-1002 REHABILITATION PACKAGE PROJECT; AMENDING RESOLUTION NO. 17-247 BY APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $140,732.10 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE ADDITIONAL PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 2, AND TO PAY PRONTO SANDBLASTING & COATING & OIL-FIELD SERVICES CO., INC. AN ADDITIONAL AMOUNT NOT TO EXCEED $140,732.10 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, on November 7, 2017, the Board, by Resolution 17-247, authorized a construction contract with Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in the amount of $1,498,810.56 for the project work in connection with the DR 999-1002 Rehabilitation Package Project; and

WHEREAS, negotiations between the San Antonio Water System (the “System”) and Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. resulted in a cost of $140,732.10 for Change Order No. 2 for the additional project work; and

WHEREAS, additional System funds in an amount not to exceed $140,732.10 are required in connection with the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 2 in an amount not to exceed $140,732.10 payable to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in connection with the DR 999-1002 Rehabilitation Package Project, (ii) to amend Resolution No. 17-247 by approving an additional amount not to exceed $140,732.10 be made available and expended from the System’s Project Fund for the additional project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 2 and to pay an additional amount not to exceed $140,732.10 to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. for the additional project work, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Change Order No. 2 in an amount not to exceed $140,732.10 payable to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in connection with the DR 999-1002 Rehabilitation Package Project is hereby approved.

2. That Resolution No. 17-247 is hereby amended by approving an additional amount not to exceed $140,732.10 be made available and expended from the System’s Project Fund for the additional project work.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 2 and to pay Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. an additional amount not to exceed $140,732.10 for Change Order No. 2 in connection with the DR 999-1002 Rehabilitation Package Project.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 5th day of June, 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

FROM: Gail A. Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVING AN INTERLOCAL AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE IH-10: BEXAR COUNTY LINE TO FAIR OAKS PARKWAY PROJECT

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Interlocal Agreement with the Texas Department of Transportation (TxDOT) to reimburse the San Antonio Water System (the “System”) an amount not to exceed $173,816.60 for the construction costs, consultant services fees, and the System’s staff costs relating to the construction of water and sewer facility adjustments in connection with the IH-10: Bexar County Line to Fair Oaks Parkway Project.

- TxDOT intends to construct main lane roads, reconfigure ramps, widen frontage road and improve intersection along the IH-10: Bexar County Line to Fair Oaks Parkway Project in the area illustrated on the attached maps. TxDOT’s improvement work is estimated to cost $32,371,236.00.

- Due to proposed improvements of the IH-10: Bexar County Line to Fair Oaks Parkway Project, the existing water mains that were constructed in 2010 require surface feature adjustments to avoid conflicts with the TxDOT improvements.

- The existing sewer mains that were constructed in 2012 within the project limits require surface feature adjustments due to the proposed TxDOT improvements.

- The water adjustment work will consist of approximately 23 water valve box adjustments, two fire hydrant adjustments, and seven meter box adjustments.

- The sewer work will consist of approximately 300 feet of concrete cap added to the existing sewer force mains.

- TxDOT requires that an Interlocal Agreement be executed for utility adjustments that are eligible for reimbursement by State law.

- It is anticipated that 100 percent of the water and sewer work will be eligible for
reimbursement through the Federal Utility and State Utility Procedures. There is no construction work to be funded by the System.

- The System’s work will be performed as part of a joint bid with TxDOT and will be paid directly by TxDOT. The System will pay for the engineering services for the project and will be reimbursed by TxDOT at the completion of the project.

- Reimbursement includes $73,620.10 for construction costs, $69,635.00 for consultant service fees, and $30,561.50 for the System’s staff costs for a total amount of $173,816.60.

- The letting date for this work is in July 2018.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

There is no financial impact from this resolution. The job numbers are 17-5122 for water and 17-5602 for sewer.

**SUPPLEMENTARY COMMENTS:**

Water and sewer facility adjustments for this project will be included in the bid documents issued by TxDOT for the joint bid work. This work will be accomplished concurrently with the highway improvements. TxDOT will reimburse the System for construction costs, consultant services fees, and the System’s staff costs required for the construction of water and sewer facility adjustments that are estimated to be $173,816.60.

Gail A. Hamrick-Pigg, P.E.  
Director  
 Pipelines  

Andrea L.H. Beymer, P.E.  
Vice President  
Engineering and Construction

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

Attachments:  
1. Project Area Map  
2. Project Site Map
IH-10: BEXAR COUNTY LINE TO FAIR OAKS PKWY PROJECT

LEGEND

PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION TO REIMBURSE THE SAN ANTONIO WATER SYSTEM AN AMOUNT NOT TO EXCEED $173,816.60 FOR THE CONSTRUCTION COSTS, CONSULTANT SERVICES FEES, AND THE SYSTEM’S STAFF COSTS RELATING TO THE CONSTRUCTION OF WATER AND SEWER FACILITY ADJUSTMENTS IN CONNECTION WITH THE IH-10: BEXAR COUNTY LINE TO FAIR OAKS PARKWAY PROJECT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION; 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) is constructing the highway and interchange work for the IH-10: Bexar County Line to Fair Oaks Parkway Project; and

WHEREAS, the IH-10: Bexar County Line to Fair Oaks Parkway Project requires the adjustment of certain water and sewer facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work costs are eligible for reimbursement through the Federal Utility and State Utility Procedures; and

WHEREAS, TxDOT has requested that the System enter into an Interlocal Agreement for the reimbursement of project work costs; and

WHEREAS, reimbursement includes $73,620.10 for construction costs, $69,635.00 for consultant service fees, and $30,561.50 for the System’s staff costs for a total amount of $173,816.60; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve an Interlocal Agreement with TxDOT for the reimbursement in the amount of $173,816.60 for construction costs, consultant services fees, and the System’s costs relating to the construction of water and sewer facility adjustments in connection with the IH-10: Bexar County Line to Fair Oaks Parkway Project, and (ii) authorize the President/Chief Executive Officer or his duly appointed designee to execute the Interlocal Agreement with TxDOT; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That an Interlocal Agreement with TxDOT for the reimbursement in the amount of $173,816.60 for construction costs, consultant services fees, and the System’s staff costs relating to the construction of water and sewer facility adjustments in connection with the IH-10: Bexar County Line to Fair Oaks Parkway Project is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement with TxDOT.

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 5th day of June, 2018.

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel

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


Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes (i) the execution of a Possession and Use Agreement (the “PUA”) in substantially the form attached hereto as Attachment I to the attached Resolution in order to obtain possession of the Easement (defined below) during the pendency of litigation and (ii) in connection with the PUA, the expenditure of funds in the amount of $148,000.00, to John J. Toomey, individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP for possession of a 0.208 of an acre temporary construction easement required for the Project.

• The System requires the acquisition of a 30’ wide temporary construction easement containing approximately 0.208 of an acre (the “Easement”), located at 2119 Northeast Loop 410, San Antonio, Bexar County, Texas owned by John J. Toomey, Individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP (collectively, the “Owner”) for the construction of a sewer line for the Project.

• The Project was declared a public necessity and the use of eminent domain was authorized by Resolution No. 17-083 of the Board on April 4, 2017 and by Ordinance No. 2017-04-20-0254 of the City of San Antonio on April 20, 2017.

• SAWS' staff attempted to acquire the Easement needed by negotiation, the negotiations were not successful and it became necessary that the City of San Antonio acting by and through the System acquire the needed Easement by condemnation.

• The System filed Cause No. 2018-ED-0004, styled City of San Antonio, acting by and through the San Antonio Water System, Condemnor, v. John J. Toomey, Individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP, Condemnee in the Probate Court No. 2, Bexar County, to acquire the Easement from the Owner.
Authorization to Expend Funds for the
Execution of a Possession and Use Agreement

• In connection to the Project, the Construction Contract is planned to be awarded in June of 2018. The System requires possession of the Easement to proceed with the construction of the gravity sewer pipeline Project.

• By appraisal dated November 13, 2017, Eckmann Groll, Inc, the System’s appraiser for the Project, appraised the value of the Easement at $148,800.00.

• The Owner, through his counsel, has indicated a willingness to grant to the System the irrevocable right of use and possession of the Easement pursuant to the terms of the PUA attached to the foregoing resolution as Attachment I, and in consideration of the sum of $148,000.00.

• Execution of the PUA and payment to Registry of the Owner of the sum of $148,000.00 as consideration will allow the System to take possession of the Easement and timely commence construction on the Easement in connection with the Project, during the pendency of litigation between the System and the Owner.

• The System would receive credit for such $148,000.00 payment towards the amount of any future Special Commissioner’s award.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. The Work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $148,000.00 for easement possession. The job number is 18-4502.

Bruce A. Haby
Manager
Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES AUTHORIZING THE EXPENDITURE AND MAKING AVAILABLE FROM THE PROJECT FUND IN THE AMOUNT OF $148,000.00 FOR POSSESSION BY THE SYSTEM OF A TEMPORARY SEWER CONSTRUCTION EASEMENT CONTAINING APPROXIMATELY 0.208 OF AN ACRE (THE “EASEMENT”) DURING THE PENDENCY OF LITIGATION BETWEEN THE SYSTEM AND JOHN J. TOOMEY, INDIVIDUALLY AND AS TRUSTEE OF THE TOOMEY BY-PASS TRUST AND TOOMEY-GUSEMAN FAMILY LP (THE “OWNER”) IN CONNECTION WITH THE CONDEMNATION OF THE EASEMENT FOR THE E-19: SEGuin Rd TO NACOGDOCHES Rd – SEGMENT 2 PROJECT; AUTHORIZING THE EXECUTION BY THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DESIGNEES OF A POSSESSION AND USE AGREEMENT FOR THE EASEMENT IN SUBSTANTIALLY THE FORM ATTACHED HERETO AS ATTACHMENT I; AUTHORIZING THE SYSTEM'S LEGAL COUNSEL TO CONTINUE TO PROSECUTE THE LITIGATION THROUGH FINAL JUDGEMENT AND ANY APPEALS, IF DEEMED NECESSARY; 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 E-19: Seguin Rd to Nacogdoches Rd – Segment 2 Project (The “Project”) was originally approved by the San Antonio Water System Board of Trustees (the “Board”) on December 1, 2015 by Resolution No. 15-274; and

WHEREAS, the Project was declared a public necessity and the use of eminent domain was authorized by Resolution No. 17-083 of the Board on April 4, 2017 and by Ordinance No. 2017-04-20-0254 of the City of San Antonio on April 20, 2017; and

WHEREAS, the System requires the acquisition of the Easement from the Owner for the construction of a sewer line for the Project; and

WHEREAS, although it was the System’s desire to acquire the Easement by negotiation, the negotiations were not successful and it became necessary that the City of San Antonio acting by and through the System acquire the needed Easement by condemnation; and

WHEREAS, the System filed Cause No. 2018-ED-0004, styled City of San Antonio, acting by and through the San Antonio Water System, Condemnor, v. John J. Toomey,
Individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP, Condemnee; in the Probate Court No. 2, Bexar County, Texas to acquire from the Owner the Easement over the property described in Attachment I attached to this Resolution; and

WHEREAS, it is necessary for the System to take possession of the Easement pending further proceedings in the above styled litigation in order for construction on the Easement in connection with the Project to proceed in a timely manner; and

WHEREAS, the Owners have agreed to grant the System possession of the Easement under the terms and conditions of the Possession and Use Agreement (“PUA”) attached hereto as Attachment I with consideration for the PUA being the sum of $148,000.00; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) authorize President/Chief Executive Officer or his designees to execute the PUA in substantially the form attached hereto as Attachment I, (ii) authorize expenditure and availability from the Project Fund in the amount of $148,000.00 as consideration for the PUA to allow SAWS to take possession of the Easement pending further legal proceedings, (iii) authorize payment of $148,000.00 to the Owner as consideration for the foregoing, and (iv) authorize the System’s attorneys to continue to prosecute this condemnation proceeding through conclusion, including final judgement and any appeals, if deemed necessary; now, therefore:

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

1. That the President/Chief Executive Officer or his designees is hereby authorized to execute the PUA in substantially the form attached hereto as Attachment I.

2. That the expenditure from the Project Fund in the amount of $148,000.00, as consideration for the PUA and SAWS rights thereunder to take possession of the Easement, is hereby authorized.

3. That the amount of $148,000.00 is hereby made available to be expended from the Project Fund.

4. That the amount of $148,000.00 is hereby authorized to be paid to the Owner as consideration for the PUA.

5. That the System’s legal counsel are hereby authorized to continue to prosecute this condemnation proceeding through conclusion, including final judgment and all necessary appeals.

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

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

PASSED AND APPROVED this 5th day of June, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Attachments:
I. Possession and Use Agreement
II. Legal Description
Parcel No: P17-098T

Project: E-19 Seguin Road to Nacogdoches Road, Segment 2

POSESSION AND USE AGREEMENT

This Possession and Use Agreement ("Agreement") is made by and between JOHN J. TOOMEY, INDIVIDUALLY AND AS TRUSTEE OF THE TOOMEY BY-PASS TRUST and TOOMEY-GUSEMAN FAMILY LP (the "Landowner,"), and CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH THE SAN ANTONIO WATER SYSTEM ("SAWS").

Recitals

WHEREAS, SAWS has determined it necessary to acquire a temporary construction easement from Landowner over and across a certain property owned by Landowner for the construction of a sewer line and all necessary appurtenances for use as a part of the operation of the SAWS wastewater system;

WHEREAS, the 0.208 acre temporary construction easement property is described and depicted in Exhibit "A," attached hereto and incorporated herein (the "Temporary Easement Property"); and

Agreements

NOW, THEREFORE, in consideration of the above-stated recitals, which are incorporated herein for all purposes, and the mutual agreements set forth herein below, Landowner and SAWS hereby agree as follows:

1. Within fifteen (15) days following execution of this Agreement by SAWS and Landowner and receipt by SAWS of a signed W-9 from Landowner, SAWS shall pay to Landowner the sum of $148,000.00.

2. Landowner hereby consents and agrees to allow SAWS, and its employees, agents, contractors, subcontractors and assigns the to enter upon and take possession of the Temporary Easement Property for the purposes of construction, storage and staging of materials and/or equipment for installation of sewer lines, facilities and appurtenances thereto, together with right of ingress and egress over the Temporary Easement Property, as if a temporary construction easement as to the Temporary Easement Property had been granted by Landowner to SAWS. SAWS rights under this Section 2 shall expire upon the earlier to occur of (i) the completion of construction of the
10. This Agreement may be executed in counterparts, which shall collectively constitute one original Agreement.

Executed to be effective this ___ day of March, 2018

Landowner

John J. Toomey, Individually and as Trustee of the Toomey By-Pass Trust

STATE OF Texas

COUNTY OF Harris

This instrument was acknowledged before me on this ___ day of ___ , 2018, by John J. Toomey in the capacities hereinafter stated.

Toomey-Guseman Family LP, a Texas limited partnership

By: John J. Toomey
Printed name: John J. Toomey
Title: General Partner

STATE OF Texas

COUNTY OF Harris

This instrument was acknowledged before me on this ___ day of ___ , 2018, by John J. Toomey, the General Partner of Toomey-Guseman Family LP, a Texas limited partnership, on behalf of said limited partnership.
SAWS

City of San Antonio by and through
its San Antonio Water System

By: ____________________________________________
Name: Nancy Belinsky
Title: Vice President and General Counsel

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on this ______ day of ________, 2018, by Nancy Belinsky, Vice President and General Counsel of the San Antonio Water System, a municipal utility of the City of San Antonio, on behalf of same.

________________________
Notary Public
Exhibit “A”

Temporary Easement Property

See attached description and depiction of a 0.208 acre tract
FIELD NOTES
For a 0.208 Acre (9,078 square feet)
(Temporary Construction Easement)

BEING A 0.208 OF AN ACRE (9,078 SQ. FT.), TRACT OF LAND, OUT OF LOT 7, BLOCK 5, NEW CITY BLOCK 13569 OF THE JOHN J. TOOMEY SUBDIVISION, RECORDED IN VOLUME 9511, PAGE 20 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS AND CONVEYED IN VOLUME 15850, PAGES 250-254 OF THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF BEXAR COUNTY, TEXAS AND BEING OUT OF THE JOHN FITZGERALD SURVEY, ABSTRACT NO. 232, COUNTY BLOCK 5078, BEXAR COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Beginning at a point, in the north line of a 70 foot sanitary sewer easement, as shown on said John J. Toomey Subdivision, being the southeast corner of the herein described tract, from which a found ½" iron rod for the northeast corner of said John J. Toomey Subdivision, bearing N.03°48'40"W., 526.58 feet;

(1) Thence, S.89°51'09"W., 152.00 feet, across said Lot 7, Block 5 and along the north line of said 70 foot sanitary sewer easement to a point for the southwest corner of the herein described tract;

(2) Thence, N.34°36'17"W., 118.56 feet, continuing across said Lot 7, Block 5 and along the east line of a 50 foot sanitary sewer easement, as shown on plat of said John J. Toomey Subdivision to an angle point of the herein described tract;

(3) Thence, N.07°24'36"W., 34.08 feet, continuing across said Lot 7, Block 5, along the east line of said 50 foot sanitary sewer easement to a point, for the northwest corner of the herein described tract;

(4) Thence, S.89°55'55"E., 29.26 feet, continuing across said Lot 7, Block 5, leaving the east line of said 50 foot sanitary sewer easement, to a point, for the northeast corner of the herein described tract;

(5) Thence, S.07°24'36"E., 22.83 feet, continuing across said Lot 7, Block 5, to an angle point of the herein described tract;

(6) Thence, S.34°36'17"E., 118.51 feet, continuing across said Lot 7, Block 5, to an angle point of the herein described tract;

(7) Thence, N.89°51'09"E., 136.28 feet, continuing across said Lot 7, Block 5, to a point, for a corner of the herein described tract;
(8) Thence, DUE SOUTH, 30.00 feet, continuing across said Lot 7, Block 5, to the POINT OF BEGINNING and containing 0.208 of an acre (9,078 sq. ft.) of land.

Bearings based on NAD 83(93), Texas South Central Zone.
All distances are surface.
This property description is accompanied by a separate plat of even date.

Surveyed on the ground the 16th day of May, 2017.
Revised date 11-02-2017

Victor Mendez, Jr., RPLS 6056
Parcel Map Check Report

Client: Client  
Client Company: KLH  
Prepared by: JRT  
7073 SAN PEDRO AVE  
Date: 11/2/2017 11:37:29 AM  

Parcel Name: PARCEL17-098-T 0.208 of an Acre

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East: 2,150,464.7989'

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Course: S0° 00' 00.00"E
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Length: 30.000'
East: 2,150,464.7989'

Perimeter: 665.458'
Error Closure: 0.0010
Error North: 0.00041

Area: 9,078.01 Sq. Ft.
Course: N65° 31' 47.97"W
East: -0.00090

Precision 1: 665,457.000
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: APPROVAL OF ACQUISITION OF 40.0 ACRE-FEET PER ANNUM OF PERMITTED EDWARDS AQUIFER GROUNDWATER RIGHTS FROM DIETRICH J. GEMBLER III AND BARBARA GEMBLER

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves the acquisition of 40.0 acre-feet per annum of permitted Edwards Aquifer Groundwater Rights (the “Water Rights”) from Dietrich J. Gembler III and Barbara Gembler (collectively, the “Seller”) by the San Antonio Water System (the “System”) at the purchase price of $5,000.00 per acre-foot for a one time purchase price of $200,000.00.

- The Water Rights are currently part of the 500 acre-feet of permitted Edwards Aquifer Groundwater Rights under lease by the System from the Seller, pursuant to a lease (the “Lease”) executed September 9, 2007 with a ten-year lease term beginning January 1, 2009 through December 31, 2018.

- The Lease was executed in accordance with the goals outlined in the Water Resource Plan 2005 Update and the authority granted by the System, by Board Resolution No. 06-376 approved on December 5, 2006.

- The Lease includes a Right of First Refusal that gives the System the opportunity to purchase all or a portion the groundwater rights leased therein upon Seller’s receipt of a bona fide third party to purchase said groundwater rights.

- Seller received a third party offer to purchase the Water Rights for $5,000.00 per acre-foot and submitted said offer to SAWS per the Lease.

- By letter agreement dated May 4, 2018, SAWS, subject to Board approval, elected to exercise its Right of First Refusal and purchase the Water Rights at the price set forth in the third party offer.

- The 2017 Water Management Plan (Resolution No. 17-221) outlines current water management strategies for the System that include the maintenance of approximately 281,000 acre-feet of Edwards Aquifer groundwater rights.
• Acquisition of the Water Rights will be used to maintain the planned volume of Edwards assets, off-set regulatory pumping cut-backs established by the Edwards Aquifer Authority (EAA), and compliment the regionally agreed to Habitat Conservation Plan.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Purchase of Groundwater for the EAA permitted groundwater withdrawal rights will result in a one time payment to Sellers in an amount not to exceed $200,000.00. Additionally, the System will also be responsible for paying the associated Aquifer Management Fees (AMF) to the EAA. AMF will be invoiced by the EAA on an annual basis. In 2019, AMF will be $84.00 per acre-foot. Future AMF will be determined by the EAA on an annual basis.

The Project Fund will finance this expenditure, included in the CY 2017 Capital Improvement Program. This is included in the Water Supply core business, Water Supply Category budget line item. The System’s job number is Pro-11033.

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Darren Thompson  
Director  
Water Resources

Donovan Burton  
Vice President  
Water Resources and Governmental Relations

**APPROVED:**

---

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE PURCHASE FROM DIETRICH J. GEMBLER III AND BARBARA GEMBLER OF 40.0 ACRE-FEET OF EDWARDS AQUIFER GROUNDWATER RIGHTS AT A COST OF $200,000.00; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Dietrich J. Gembler III and Barbara Gembler (the “Seller”) and the San Antonio Water System (the “System”) entered into a 10 year Groundwater Lease agreement (the “Lease”) for Edwards Aquifer Groundwater Rights executed on September 19, 2007 and due to expire December 31, 2018; and

WHEREAS, the Lease contains a Right of First Refusal (Section 19) allowing the System to purchase any of the Edwards Aquifer Groundwater Rights under the Lease for which Seller received a third party offer to purchase; and

WHEREAS, Seller received a third party offer to purchase 40.0 acre-feet per annum of Edwards Aquifer Groundwater Rights (the “Water Rights”) under the Lease for $5,000.00 per acre-foot and submitted said offer to the System per the Lease; and

WHEREAS, System staff entered into a letter agreement dated May 4, 2018 (the “Letter Agreement”) with Seller, attached hereto as Attachment I, wherein the System, subject to Board of Trustees approval, elected to exercise its Right of First Refusal to purchase the Water Rights at a cost of $5,000.00 per acre-foot, for a total cost of $200,000.00; and

WHEREAS, the purchase of the Water Rights allows the System to maintain inventory according to the System’s 2017 Water Management Plan (Resolution No. 17-221), which evaluates and identifies a portfolio of water supply projects, that include both short and long-term goals for the acquisition of Edwards Aquifer groundwater rights; and

WHEREAS, the System’s Board of Trustees believes that it is in the best interest of the ratepayers of the System to obtain necessary amounts of Edwards Aquifer groundwater rights that maintain the planned supply; and

WHEREAS, the purchase of the Water Rights represents the purchase of a real property interest and is for the health, safety and welfare of the ratepayers of the System; and

WHEREAS, the System’s Board of Trustees desires to approve the Letter Agreement and authorize the President/Chief Executive Officer or his duly appointed designee to effectuate the purchase of the Water Rights under the terms contained therein; and
WHEREAS, the System’s Board of Trustees desires (i) to approve the Letter Agreement between the System and Seller for the purchase of Water Rights at a cost of $5,000.00 per acre-foot for a total amount not to exceed $200,000.00, (ii) to approve and authorize the expenditure of funds from the System Fund in an amount of $200,000.00 to acquire Water Rights, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to take such steps necessary under the Letter Agreement to secure the Water Rights for the System’s use; now, therefore:

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

1. That System’s Board of Trustees hereby finds that the Letter Agreement between the System and Seller for 40.0 acre-feet of Edwards Aquifer groundwater rights, at a cost of $5,000.00 per acre-foot for a total amount not to exceed $200,000.00 is hereby approved.

2. That the System’s Board of Trustees hereby finds that the expenditure of funds for the purchase of the Water Rights be made available and are hereby authorized from the System Fund in the amount of $200,000.00, and authorize payment of said amount to Seller (or its assigns or such parties as may be determined to be a necessary party to the conveyance of the said Water Rights).

3. That the System’s Board of Trustees hereby finds that the President/Chief Executive Officer or his duly appointed designee is hereby authorized to take all such steps necessary under the Letter Agreement to secure the Water Rights for the System’s use.

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 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.

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 5th day of June, 2018.

__________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________________
Amy Hardberger, Secretary

Attachment I:
Letter Agreement
May 4, 2018

Mark A. Eisenhauer
Eisenhauer & Eisenhauer, P.C.
142 Ninth Street
San Antonio, TX 78215-1524

via email to eisenhauerlaw@att.net

Dietrich J. Gembler, III and Barbara Gembler
Route 1, Box 62
Knippa, Texas 78870

via certified mail/rrr

Re: Right of First Refusal in Lease of Groundwater ("Lease") dated effective September 19, 2007 by and between Dietrich J. Gembler, III and Barbara Gembler (collectively, "Lessor") and the City of San Antonio by and through its San Antonio Water System ("SAWS")

Dear Mr. Eisenhauer, Mr. and Mrs. Gembler:

SAWS has received a copy of Lessor’s purchase contract (the "Purchase Contract") with Donum Dei 1998 Trust for 40 acre feet per annum of unrestricted EAA groundwater rights under EAA Permit No. P102-065 (UV00585) (the "Water Rights") currently under the Lease.

Pursuant to Section 19 of the Lease, SAWS desires, subject to SAWS Board of Trustees approval, to exercise its right of first refusal and purchase the Water Rights for the purchase price set forth in the Contract of $5,000 per acre foot, for a total purchase price of $200,000.

In order to facilitate a smooth transaction, SAWS believes it helpful to set forth the basic parameters of the purchase and sale of the Water Rights:

- Purchase price: $200,000
- Closing date: on or before July 13, 2018
- Conditions to closing:
  - SAWS Board of Trustees approval (if such approval is not obtained prior to the closing date, SAWS will be deemed to have declined to exercise its right of first refusal)
  - Written termination of the Purchase Contract
  - Release of any lien encumbering the Water Rights, whether such lien expressly encumbers the Water Rights or the real property designated as “place of use” under the above referenced EAA Permit
- Location of closing: SAWS headquarters or title company of SAWS’ choosing
- Closing escrow fees: SAWS to pay, if any
- Recording/escrow fees: SAWS to pay, except for any recording fees for any lien release, which Lessor will pay
• Each side will pay their own attorneys' fees
• Conveyance documents: (i) SAWS standard form of Water Deed and (ii) EAA transfer form
• Lessor will provide a W-9 and Non-Foreign Certification prior to closing to facilitate payment
• Lease to remain in full force and effect for the remaining 460 acre-feet of water rights. No proration of rent for the Water Rights being sold.

To evidence your agreement with the foregoing, please have Lessor sign where indicated below.

Thank you for your cooperation, and for being a valued long-term water partner of SAWS.

Sincerely,

SAN ANTONIO WATER SYSTEM

Robert R. Puente
President and CEO

Acknowledged and agreed to:

Dietrich J. Gembler
Barbara Gembler

cc: Donovan Burton, Vice President – Water Resources
    Darren Thompson, Manager – Water Resources
    Mark Brewton, Corporate Counsel
TO: San Antonio Water System Board of Trustees

FROM: Steven Clouse, Senior Vice President/Chief Operating Officer, and Andrea Beymer, Vice President, Engineering and Construction

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

SUBJECT: APPROVING A RELEASE AND SETTLEMENT AGREEMENT WITH PAPE-DAWSON ENGINEERS, INC. RELATED TO WORK ON THE SOUTHWEST BEXAR SEWER PIPELINE PROJECT

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Release and Settlement Agreement with Pape-Dawson Engineers, Inc. (the “Engineer”) authorizing the San Antonio Water System (the “System”) to accept the sum of $450,000.00 from the Engineer and authorizes the President/Chief Executive Officer to execute the Release and Settlement Agreement with the Engineer.

- The System entered into an agreement dated January 9, 2009, with the Engineer to provide certain engineering services relating to the design and construction of the Medina River Sewer Outfall (the “Project”).

- The System hired various contractors to install the work reflected in the drawings and specifications prepared by the Engineer for the Project, including HDPE pipe at various locations in the sewer pipeline, including the air bypasses at various low points in the pipeline.

- A dispute arose related to the specification of certain materials for use in the Project.

- In order to avoid litigation and expense, it is in the best interest of the System to approve the Release and Settlement Agreement with the Engineer and acceptance of the sum of $450,000.00 (the “Settlement Payment”).

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

The Settlement Payment in the amount of $450,000.00 will be credited to the System Fund.

Steven Clouse  
Sr. Vice President/Chief Operating Officer

Andrea L.H. Beymer, P.E.  
Vice President, Engineering and Construction

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A RELEASE AND SETTLEMENT AGREEMENT WITH PAPE-DAWSON ENGINEERS, INC. (THE “ENGINEER”); AUTHORIZING THE SYSTEM TO ACCEPT THE SUM OF $450,000.00 FROM THE ENGINEER; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE A RELEASE AND SETTLEMENT AGREEMENT WITH THE ENGINEER; 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”) entered into an agreement dated January 9, 2009, with Pape-Dawson Engineers, Inc. (the “Engineer”) to provide certain engineering services relating to the design and construction of the Medina River Sewer Outfall Project (the “Project”); and

WHEREAS, the System hired various contractors to install the work reflected in the drawings and specifications prepared by the Engineer for the Project, including HDPE pipe at various locations in the sewer pipeline, including the air bypasses at various low points in the pipeline; and

WHEREAS, a dispute arose between the System and the Engineer related to the specification of certain materials for use in the Project; and

WHEREAS, in order to avoid litigation and expense, it is in the best interest of the System to approve a Release and Settlement Agreement with the Engineer and accept the sum of $450,000.00; now, therefore

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

1. That the Release and Settlement Agreement with the Engineer in substantially the form attached as Attachment 1 to this Resolution (the “Settlement Agreement”) is hereby approved.

2. That the System is hereby authorized to accept the sum of $450,000.00 pursuant to the terms of the Settlement Agreement.

3. That the President/Chief Executive Officer is hereby authorized to execute the Settlement 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 shall take effect immediately upon its passage.

PASSED AND APPROVED this 5th day of June, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Attachment:

1. Release and Settlement Agreement
SETTLEMENT AGREEMENT AND RELEASE

Parties and Subject Matter

This Settlement Agreement and Release ("Agreement") is entered into by the following parties (each a "Party" and collectively as the "Parties"): i. San Antonio Water System ("SAWS"); and ii. Pape Dawson Engineers, Inc.

Acknowledgment of Representation and Statement of Intent

The Parties expressly represent and warrant that they have participated in the negotiation and preparation of this Agreement, and that they are executing this Agreement voluntarily, with the benefit and advice of counsel (or had the opportunity to seek counsel) without any duress or coercion. The Parties fully understand that if any facts concerning the claims giving rise to this Agreement should be found to be other than or different from the facts now believed to be true, that it is agreed that this Agreement shall be and will remain in full force and effect notwithstanding such difference in facts.

The Parties agree and understand that the terms hereof are contractual and are not merely recitals and that the parties hereto intend to be and are hereby bound by it. Each undersigned individual, by his signature below, warrants that he or she is of legal age, legally competent to execute this Agreement, and fully authorized by the party or parties hereto on whose behalf he or she signs this Agreement, to execute and enter into this Agreement on behalf of such party.

This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof, and may not be modified, amended, or terminated except by written agreement signed by the Parties. The Parties acknowledge that they are not executing this Agreement on the basis of any inducements, promises, statements, representations, or warranties other than those embodied in this Agreement.

Recitals

WHEREAS, SAWS entered into an agreement dated January 9, 2009, with Pape Dawson Engineers, Inc. to provide certain engineering services relating to the design and construction of the Medina River Sewer Outfall (the "Project") and;

WHEREAS, SAWS hired various contractors to install the work reflected in the drawings and specifications prepared by Pape Dawson Engineers, Inc. for the Project, including HDPE pipe at various locations in the sewer pipeline, including but not limited to the air bypasses at various low points in the pipeline; and

WHEREAS, SAWS discovered moisture in the HDPE pipe and alleged that Pape Dawson Engineers, Inc. should not have specified HDPE pipe for use in the Project (the "HDPE Pipe Claim"); and
WHEREAS, following an investigation, Pape Dawson Engineers, Inc. alleged that the water infiltration was due to, among other things, normal condensation and construction errors and also disputed that the design of the HDPE air bypass pipelines was a design error or omission; and

WHEREAS, SAWS alleged that the HDPE air bypass pipelines will fill with water and not perform, which will require either replacement of the air bypass pipelines, additional costs or other remedial action at additional cost to SAWS; and

WHEREAS, in order to amicably resolve the disputes between SAWS and Pape Dawson Engineers, Inc. they are entering into this Agreement with the following terms and conditions.

**Agreement**

NOW, THEREFORE, in consideration of the execution of this Agreement, the payments, recitals, mutual covenants, releases, promises, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Pape Dawson Engineers, Inc. agrees to pay SAWS the amount of Four Hundred Fifty Thousand and No/100 dollars ($450,000.00) (the “Settlement Amount”) by check(s) made payable to San Antonio Water System within forty-five (45) days following the execution of this Agreement by all Parties and Pape Dawson Engineers, Inc.’s receipt of a completed W-9 (tax i.d.) for SAWS.

2. SAN ANTONIO WATER SYSTEM, FOR ITSELF AND ITS AGENTS, COUNSEL, REPRESENTATIVES, SUCCESSORS AND ASSIGNS, FULLY AND FINALLY RELEASES, WAIVES, ACQUITS, AND FOREVER DISCHARGES PAPE DAWSON ENGINEERS, INC. AND ITS PRESENT AND FORMER PRINCIPALS, DIRECTORS, OFFICERS, SHAREHOLDERS, AGENTS, ATTORNEYS, EMPLOYEES, SERVANTS, PARENTS, SUBSIDIARIES, EMPLOYEES, PARTNERS, MANAGERS, MEMBERS, INSURERS, SURETIES, OWNERS, AFFILIATES, REPRESENTATIVES, HEIRS, EXECUTORS, SUCCESSORS, ASSIGNS, AGENTS, CONSULTANTS, AND SUB-CONSULTANTS (COLLECTIVELY, “RELEASED PARTIES”) FROM ANY AND ALL DISPUTES, CLAIMS, DEMANDS, WARRANTIES, DAMAGES, COSTS, EXPENSES, REIMBURSEMENTS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, CAUSES OF ACTION BASED ON THE LAW OF TORT, CONTRACT, WARRANTY, EQUITY, STATUTE, CONTRIBUTION, INDEMNITY, OR OTHER THEORY OF LIABILITY, THAT SAWS HAS, HAD, OR MAY HAVE AGAINST THE RELEASED PARTIES IN ANY WAY RELATED TO OR ARISING OUT OF THE HDPE PIPE CLAIM AND THE DESIGN, CONSTRUCTION, REPAIRS AND/OR MAINTENANCE OF THE HDPE PIPE AND THE AIR BYPASS PIPELINES IN THE PROJECT.

   a. No other claims, demands, liabilities, causes of action, or damages of any kind or character other than those expressly described in this Agreement are released, acquitted, settled or discharged.

   b. Notwithstanding anything to the contrary that is contained in this Agreement, SAWS does not release, acquit or discharge the Released Parties from any liability for personal injury or death, or property damage to the extent
caused by or resulting in whole or in part from any of the Released Parties’ negligence or willful misconduct in the performance of any work performed or service provided by any of the Released Parties in connection with the Project.

c. As of the date of this Agreement, neither Party is aware of any actual or potential claims of injury, death, or property damage that arise out of or that are related to the Project.

3. It is understood and agreed that no Party to this Agreement admits any liability, wrongdoing, or fault, but to the contrary, expressly denies the same. This Agreement is entered to resolve, settle and compromise the matters in dispute between the Parties and avoid the cost, expense and effort of protracted and disputed litigation.

4. Each Party shall be responsible for the payment of its own attorneys’ fees, expenses and costs. The Settlement Amount may be paid in one or more checks by Pape Dawson and/or its professional liability insurance carrier.

5. By execution hereof, each Party represents, covenants and warrants that no claims released herein have previously been conveyed, assigned or in any manner transferred, in whole or in part, to any third party.

6. This Agreement binds and inures to the benefit of the Parties and their respective present and former officers, directors, shareholders, employees, partners, owners, managers, affiliates, agents, attorneys, heirs, legal and personal representatives, successors and assigns.

7. This Agreement may be executed in any number of counterparts, each of which is an original for all purposes, but all of which together constitute one agreement.

8. The Parties acknowledge that the payment of the settlement amounts and the covenants and recitals contained in this Agreement provide good and sufficient consideration for every promise, duty, release, obligation and right contained in this Agreement.

9. Each Party agrees and acknowledges that this Agreement is a negotiated document and the Parties agree that in the event of a dispute as to the meaning of a portion of this Agreement that they mutually negotiated the terms and provisions of this Agreement. Any rule of construction that ambiguities or other disputes about the Agreement be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

The Effective Date of this Agreement is April 19, 2018.

[Signatures on following pages]
San Antonio Water System

By: Robert R. Puente
Its: President and Chief Executive Officer
Date: _____________________

ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF BEXAR §

Before me, a Notary Public, on this day personally appeared Robert R. Puente, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of San Antonio Water System and that he has executed the same on behalf of said corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this _____ day of June, 2018.

Notary Public in and for the State of Texas

My Commission Expires: _____________________
ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF BEXAR §

Before me, a Notary Public, on this day personally appeared Gene Dawson, Jr., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Pape Dawson Engineers, Inc., and that he has executed the same on behalf of said corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this _____ day of May, 2018.

[Signature]

Notary Public in and for the State of Texas

My Commission Expires:

_____________________

[Signature]
SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the extension of a contract with HDR Engineering, Inc. for the period ending December 31, 2019 for additional program management services in connection with Sanitary Sewer Overflow (SSO) Reduction Program (the “Program”).

- The San Antonio Water System (SAWS) entered into a Consent Decree (CD) with the United States Environmental Protection Agency, the United States Department of Justice, and the State of Texas. The CD outlines activities to be undertaken to reduce SSOs.

- SAWS recognized the need for program management services to assist with the implementation of the CD requirements and to achieve the goal of reducing SSOs.

- On June 4, 2013, by Resolution No. 13-176, the Board of Trustees (the “Board”) authorized a professional services contract with a three-year term with HDR Engineering, Inc. for program management services associated with the SSO Reduction Program and authorized expenditures for the Initial Phase, Phase I, of the Program in the amount of $6,446,019.00.

- On June 17, 2014, by Resolution No. 14-162, the Board authorized additional funds for Phase II, Year 2, of the Program in the amount of $6,553,892.00.

- On June 2, 2015, by Resolution No. 15-140, the Board authorized additional funds for Phase III, Year 3, of the Program in the amount of $9,897,515.00.

- On June 14, 2016, by Resolution No. 16-171, the Board authorized additional funds for Phase IV, Year 4, of the Program in the amount of $7,517,945.00.

- On June 6, 2017, by Resolution No. 17-139, the Board authorized additional funds for Phase V, Year 5, of the program in the amount of $8,289,925.00.

- Phase V, Year 5 of the program had significant cost savings that will allow an extension to
Authorize the Contract Extension  
Program Management Services for SSO Reduction Program

the contract time without an increase in funds.

• The HDR Program Management Team has completed knowledge transfer to SAWS staff.

• This extension is being requested for the following activities:
  
  o Support the development of the Condition and Capacity Remedial Measures Plans, which is the last major deliverable required by the Consent Decree. Their expertise with SSO reduction and Consent Decree programs is critical to the development of the Remedial Measures Plans.

  o Assist in the development of the Capacity Monitoring and Inflow Reduction Program.

  o After SAWS has managed the program for approximately one year, the HDR Program Management Team will be brought in to audit the ongoing progress of SAWS SSO Reduction Program. HDR will make recommendations to address any gaps identified.

• This resolution will authorize an extension to the contract date through December 31, 2019 and will not require additional funds.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The System Fund will finance the contract services based upon Budget availability.

Jeffrey J. Haby, P.E.  
Vice President  
Production and Treatment

Steven Clouse  
Senior Vice President  
Chief Operating Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AUTHORIZING THE EXTENSION OF A CONTRACT WITH HDR ENGINEERING, INC. FOR THE PERIOD ENDING DECEMBER 31, 2019 FOR ADDITIONAL PROGRAM MANAGEMENT SERVICES IN CONNECTION WITH THE SANITARY SEWER OVERFLOW REDUCTION PROGRAM; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICE OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT EXTENSION WITH HDR ENGINEERING, INC. FOR ADDITIONAL PROGRAM MANAGEMENT SERVICES IN CONNECTION WITH THE SANITARY SEWER OVERFLOW REDUCTION PROGRAM; 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 entered into a Consent Decree (CD) with the United States Environmental Protection Agency, the United States Department of Justice, and the State of Texas which outlines activities to be undertaken to reduce sanitary sewer overflows (SSOs); and

WHEREAS, the System require additional program management services to assist with the implementation of the CD requirements and to achieve the goal of reducing SSOs; and

WHEREAS, on June 4, 2013, by Resolution No. 13-176, the System’s Board of Trustees (the “Board”) authorized a professional services contract with HDR Engineering, Inc. for program management services associated with the SSO Reduction Program; and

WHEREAS, on June 17, 2014, by Resolution No. 14-162, the Board authorized additional funds for Phase II, Year 2, of the Program; and

WHEREAS, on June 2, 2015, by Resolution No. 15-140, the Board authorized additional funds for Phase III, Year 3, of the Program; and

WHEREAS, on June 14, 2016, by Resolution No. 16-171, the Board authorized additional funds for Phase IV, Year 4, of the Program; and

WHEREAS, on June 6, 2017, by Resolution No. 17-139, the Board authorized additional funds for Phase V, Year 5, of the Program; and

WHEREAS, Phase V, Year 5 of the program had significant cost savings that will
allow a time extension to the contract without an increase in funds; and

WHEREAS, the continued professional services to be performed under this contract during the fifth year consists of Program Management and Controls, Information Systems Integration Support, Inspection, Condition Assessment and Inflow Reduction Support and Transition Services, Capacity Assessment Support, Basin Planning Support Services, CIP Delivery Implementation Support Services, and Project Controls Support for CIP Delivery; and

WHEREAS, additional funding is not required; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to authorize the extension of a contract with HDR Engineering, Inc. for the period ending December 31, 2019 for additional program management services in connection with the Sanitary Sewer Overflow Reduction Program, and (ii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the contract extension with HDR Engineering, Inc. for the period ending December 31, 2019 for additional program management services in connection with Sanitary Sewer Overflow Reduction Program; now, therefore:

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

1. That Resolution No. 13-176, as previously amended by Resolution Nos. 14-162, 15-140, 16-171, and 17-139 is hereby further amended by authorizing the contract extension with HDR Engineering, Inc. for the period ending December 31, 2019 for additional program management services in connection with the Sanitary Sewer Overflow Reduction Program.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract extension with HDR Engineering, Inc. for the period ending December 31, 2019 for additional program management services in connection with the Sanitary Sewer Overflow Reduction Program.

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 5th day of June, 2018.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

FROM: Parviz Chavol, P.E., Sr. Director, Production and Treatment, and Jeffrey J. Haby, P.E, Vice President, Production and Treatment.

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

SUBJECT: AUTHORIZATION FOR THE EXTENSION OF A CONTRACT IN CONNECTION WITH COMPOSTING AND MARKETING BIOSOLIDS

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the extension of a contract with New Earth, Inc. for the period of June 14, 2018 through June 13, 2019, in an amount not to exceed $1,918,400.00 in connection with composting and marketing biosolids.

- The San Antonio Water System (the “System”) Water Recycling Centers produce approximately 165,000 tons of biosolids annually of which a minimum of 145,000 tons is used for composting under two separate composting contract. This is the older of the two composting contracts and will allow for composting of a minimum of 65,000 tons.

- On June 4, 2013, by Resolution No. 13-179, the System’s Board of Trustees awarded a three-year contract to New Earth, Inc. to provide composting and marketing System generated biosolids. The initial term of the contract expired on June 30, 2016.

- After the initial term of the contract, the contract allowed an option for three renewable one-year extensions.

- On June 14, 2016, by Resolution No. 16-168, the System’s Board of Trustees awarded the first year extension in an amount not to exceed $1,799,100.00.

- Effective June 14, 2016, the contract price increased three percent from $22.60 per ton to a contract price no greater than $23.28 per ton in accordance with the Periodic Fee Modification as defined in the contract based upon a calculation of the Consumer Price Index.

- On June 6, 2017, by Resolution No. 17-141, the System’s Board of Trustees awarded the second year extension in an amount not to exceed $1,862,400.00.

- Effective June 16, 2017, the contract price increased three percent from $22.60 per ton to $23.28 per ton in accordance with the Periodic Fee Modification as defined in the contract based upon a calculation of the Consumer Price Index.
Authorization of Contract Extension
Composting and Marketing Biosolids

- New Earth, Inc. may request an annual increase not to exceed three percent in any given year which could result in a price increase to $23.98 per ton for the period within thirty days following the date of adjustment based upon a calculation of the Consumer Price Index.

- This resolution authorizes funding in an amount not to exceed $1,918,400.00 for the third extension for the period of June 14, 2018 through June 13, 2019, contingent on a contract price no greater than $23.98 per ton. This is the last extension and the contract will be re-bid prior to June 2019.

- Staff estimates composting and marketing an estimated 80,000 tons of biosolids for period starting June 14, 2018, at the contract price of $23.98 per ton for a total of $1,918,400.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

These services will be paid from System funds budgeted in the 2018 budget, and that the expenditure of funds for subsequent fiscal years are pursuant to and contingent upon Board approval of budgets for subsequent fiscal years with a line item for such expenditures (Company: 1000, Accounting Unit: 5037600, Account: 511312).

Parviz Chavol, P.E.
Sr. Director
Production and Treatment

Jeffrey A. Haby, P.E.
Vice President
Production and Treatment

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES AUTHORIZING THE EXTENSION OF A
CONTRACT WITH NEW EARTH, INC. IN AN AMOUNT
NOT TO EXCEED $1,918,400.00 FOR THE PERIOD OF
JUNE 14, 2018 THROUGH JUNE 13, 2019, IN CONNECTION
WITH BIOSOLIDS COMPOSTING AND MARKETING
SERVICES CONTINGENT UPON A CONTRACT PRICE NO
GREATER THAN $23.98 PER TON, AT THE OPTION OF
THE SYSTEM; AUTHORIZING THE EXPENDITURE OF
FUNDS IN AN AMOUNT NOT TO EXCEED $1,918,400.00
FROM THE SYSTEM FUND, PURSUANT TO AND
CONTINGENT UPON BOARD APPROVAL OF THE
SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR
SUCH EXPENDITURES; AUTHORIZING THE
PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY
APPOINTED DESIGNEE TO EXECUTE THE CONTRACT
EXTENSION WITH NEW EARTH, INC., AND TO PAY NEW
EARTH, INC. AN AMOUNT NOT TO EXCEED $1,918,400.00
FOR BIOSOLIDS COMPOSTING AND MARKETING
SERVICES; FINDING THAT 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”) Water Recycling
Centers produce approximately 165,000 tons of biosolids annually; and

WHEREAS, compost is a valuable product that complements water conservation
efforts and provides a more environmentally-conscience method of disposing of biosolids as
opposed to landfilling; and

WHEREAS, due to the mutually beneficial nature of this contract, New Earth, Inc.
and the System made every effort to arrive at a dollar amount that is highly competitive with the
cost of landfilling and other biosolids disposal enterprises; and

WHEREAS, New Earth, Inc. will compost a minimum of 65,000 wet tons of
biosolids materials per year; and

WHEREAS, on June 4, 2013, the System awarded a three-year contract to New
Earth, Inc. for composting and marketing services; and

WHEREAS, on June 14, 2016, the System awarded the first of three extensions; and
WHEREAS, on June 6, 2017, the System awarded the second of three extensions; and

WHEREAS, the System has an option for one renewable one-year extension of the contract with New Earth, Inc. to provide composting and marketing services; and

WHEREAS, effective June 14, 2016, the contract price could have increased three percent from $22.60 per ton to $23.28 per ton in accordance with the Periodic Fee Modification as defined in the contract based upon a calculation of the Consumer Price Index, however no price increased was realized; and

WHEREAS, effective June 6, 2017, the contract price increased three percent from $22.60 per ton to $23.28 per ton in accordance with the Periodic Fee Modification as defined in the contract based upon a calculation of the Consumer Price Index; and

WHEREAS, New Earth, Inc. may request an annual increase not to exceed three percent in any given year which could result in a price increase up to $23.98 per ton for the period within thirty days following the date of adjustment based upon a calculation of the Consumer Price Index; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) authorize the contract extension with New Earth, Inc. in an amount not to exceed $1,918,400.00 for the period of June 14, 2018 through June 13, 2019, in connection with composting and marketing services contingent upon a contract price no greater than $23.98 per ton, (ii) to authorize the expenditure of funds in an amount not to exceed $1,918,400.00 from the System Fund, pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the contract extension with New Earth, Inc., and to pay New Earth, Inc. an amount not to exceed $1,918,400.00 in connection with composting and marketing biosolids; now, therefore:

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

1. That the contract extension with New Earth, Inc. in an amount not to exceed $1,918,400.00 for period of June 14, 2018 through June 13, 2019, in connection with composting and marketing biosolids is hereby approved.

2. That total expenditures in an amount not to exceed $1,918,400.00 are hereby made available and to be expended from the System Fund, and that the expenditure of funds for subsequent fiscal years are pursuant to and contingent upon Board approval of budgets for subsequent fiscal years with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the contract extension with New Earth, Inc., and to pay New Earth, Inc. an amount not to exceed $1,918,400.00 in connection with composting and marketing biosolids.
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 5\textsuperscript{th} day of June 2018.

\hline
\textit{Berto Guerra, Jr., Chairman} \\
\hline
\textit{ATTEST:} \\
\hline
\textit{Amy Hardberger, Secretary}
TO: San Antonio Water System Board of Trustees

FROM: Marty Jones, P.E., Manager, Water Resources, and Donovan S. Burton, Vice President, Water Resources and Governmental Relations

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

SUBJECT: APPROVAL OF AN AGREEMENT IN CONNECTION WITH THE DESIGN AND CONSTRUCTION OF ELECTRICAL SERVICE FOR THE VISTA RIDGE REGIONAL SUPPLY PROJECT HIGH SERVICE PUMP STATION AND WELL FIELD FACILITIES 1, 2, & 3

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves an agreement with Bluebonnet Electric Cooperative (the “Cooperative”), a nonprofit electrical power distribution cooperative, in connection with the San Antonio Water System’s (the “System”) obligation to provide electric power service for project facilities to be constructed for the Vista Ridge Regional Supply Project (the “Project”). The agreement, in an amount not to exceed $1,540,858.18, is for design and construction of electrical service for the Vista Ridge Regional Supply High Service Pump Station and Well Field Facilities 1, 2, and 3.

- The Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement (WTPA) places on Vista Ridge, LLC (the “Project Company”) the responsibility for developing, financing, constructing, and operating the Project in exchange for a fixed price for water delivered and reimbursement of O&M costs incurred. After expiration of the WTPA at the end of the 30-year term, ownership of Project assets will transfer to the System.

- The WTPA places upon the System the responsibility for establishing electric power service for Project facilities. Electric service is essential for completion and operation of the Project and must be ready for performance testing of the Project no later than 39 months following the financial closing date of the WTPA.

- The System is working with three different electrical service providers to establish electrical service at the five different Project facilities to be constructed by the Project Company. The Cooperative will design and construct the electrical power service for the Intermediate Pump Station 1 Facilities, High Service Pump Station, and Well Field Facilities. Guadalupe Valley Electric Cooperative will design and construct the electrical power service for the Intermediate Pump Station 2 Facilities, and CPS Energy will design and construct the electrical power service for the Vista Ridge Regional Supply Project Terminus Site. The System will also work with the electrical service providers to establish
Approval of Agreement
Electrical Service with the Vista Ridge Regional Supply Project

electrical service for the pipeline cathodic protection system equipment in their service areas.

- The scope of services for this agreement includes the design and construction of approximately four miles of overhead and underground electrical feeder from an existing nearby electrical sub-station, nine transformers, and four primary service meters.

- The amount of $1,540,858.18 provides funds to the Cooperative for the design and construction of the second of three required overhead electrical service feeders this Cooperative will construct for the Project. Funds for this agreement provide for the electrical overhead feeder that will serve the High Service Pump Station Facilities located in Caldwell Texas, and three Well Field Facilities (Well Field Facilities 1, 2, and 3) in the adjacent Vista Ridge Well Field. Staff will propose, for the Board’s approval, the third agreement with this Cooperative for the electrical feeder to serve the Vista Ridge Regional Supply Project’s remaining six Well Field Facilities in mid to late 2018. The anticipated, total value of the three agreements to be awarded to this Cooperative is expected to be $5.7million. This does not include the cost to design and construct electrical service for the pipeline cathodic protection system. Staff will propose additional electrical service agreements for the cathodic protection in late 2018.

- The Vista Ridge Regional Supply Intermediate Pump Station 1 Facilities, High Service Pump Station Facilities, and Well Field Facilities all fall within the Cooperative’s exclusive service area.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds for services to be expended during FY 2018 are included in the five-year Water Supply O&M Budget that was approved in conjunction with the FY 2018 Annual Operating Budget. Expenditures will be funded with revenues from the System Fund. Services will be paid from the Vista Ridge Water Supply Project (Company: 1000, Accounting Unit: 5046500, Account Code: 511312, Total 2018 amount: $1,540,858.18).

Marty Jones, P.E.
Manager
Water Resources Engineering

Donovan Burton
Vice President
Water Resources and Governmental Relations
Approval of Agreement
Electrical Service with the Vista Ridge Regional Supply Project

APPROVED:

[Signature]
Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN AGREEMENT WITH BLUEBONNET ELECTRIC COOPERATIVE IN AN AMOUNT NOT TO EXCEED $1,540,858.18 FOR DESIGN AND CONSTRUCTION OF ELECTRICAL POWER SERVICE FOR THE VISTA RIDGE REGIONAL SUPPLY PROJECT HIGH SERVICE PUMP STATION AND WELL FIELD FACILITIES 1, 2, & 3 IN FULFILLING OBLIGATIONS TO ESTABLISH ELECTRIC POWER SERVICE; AUTHORIZING EXPENDITURES OF FUNDS IN AN AMOUNT NOT TO EXCEED $1,540,858.18 FROM THE SYSTEM FUND FOR ELECTRICAL POWER SERVICE CONSTRUCTION; 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 Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement (WTPA) places on Vista Ridge, LLC (the “Project Company”) the responsibility for developing, financing, constructing, and operating the Vista Ridge Regional Supply Project (the “Project”) in exchange for a fixed price for water delivered and reimbursement of O&M costs incurred. After expiration of the WTPA at the end of the 30-year term, ownership of Project assets will transfer to the San Antonio Water System (the “System”); and

WHEREAS, the WTPA places upon the System the responsibility for establishing electric service for Project facilities to be constructed by the Project Company. Electric service is essential for completion and operation of the Project and must be ready for performance testing of the Project no later than 36 months following the financial closing date of the WTPA; and

WHEREAS, the System is working with three different electrical service providers to establish electrical service at the five different Project facilities to be constructed by the Project Company. Bluebonnet Electric Cooperative will design and construct the electrical power service for the Well Field Facilities, High Service Pump Station Facilities, and Intermediate Pump Station 1 Facilities. Guadalupe Valley Electric Cooperative will design and construct the electrical power service for the Intermediate Pump Station 2 Facilities, and CPS Energy will design and construct the electrical power service for the Vista Ridge Regional Supply Project Terminus Site. The System will also work with the electrical service providers to establish electrical service for the pipeline cathodic protection system equipment in their service areas; and

WHEREAS, the scope of services for this agreement includes the design and construction of approximately four miles of overhead and underground electrical feeder from an existing nearby electrical sub-station, nine transformers, and four primary service meters; and
WHEREAS, the amount of $1,540,858.18 provides funds to the Cooperative for the design and construction of the second of three required overhead electrical service feeders this Cooperative will construct for the Project. Funds for this agreement provide for the electrical overhead feeder that will serve High Service Pump Station Facilities located in Caldwell Texas, and three Well Field Facilities (Well Field Facilities 1, 2, and 3) in the adjacent Vista Ridge Well Field; and

WHEREAS, Staff will propose, for the Board’s approval, the third agreement with this Cooperative for the electrical feeder to serve the Vista Ridge Regional Supply Project’s remaining six Well Field Facilities in mid to late 2018. The anticipated, total value of the three agreements to be awarded to the Cooperative is expected to be $5.7 million; and

WHEREAS, the Vista Ridge Regional Supply Intermediate Pump Station 1 Facilities, Well Field Facilities, and High Service Pump Station Facilities all fall within Bluebonnet Electrical Cooperative’s exclusive service area; and

WHEREAS, the amount of $1,540,858.18 is available from the System Fund for the Project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the agreement with Bluebonnet Electric Cooperative in the amount of $1,540,858.18 for the funds to begin the design and construction of electrical power service in connection with the Vista Ridge Regional Supply Project, (ii) to authorize and make available an amount not to exceed $1,540,858.18 from the System Fund for design and construction of the Project’s electrical power service, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an agreement with Bluebonnet Electric Cooperative, and to pay Bluebonnet Electric Cooperative an amount not to exceed $1,540,858.18 to Bluebonnet Electric Cooperative for the project work; now, therefore:

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

1. That an agreement with Bluebonnet Electric Cooperative in an amount not to exceed $1,540,858.18 for the design and construction of electrical power service in connection with the Project is hereby approved.

2. That the expenditure of System funds in an amount not to exceed $1,540,858.18 is hereby approved.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an agreement with Bluebonnet Electric Cooperative and to pay Bluebonnet Electric Cooperative an amount not to exceed $1,540,858.18 for the design and construction of electrical power service for Vista Ridge Regional Supply High Service Pump Station and Well Field Facilities 1, 2, and 3.

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 5th day of June, 2018.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Attachment:

I. Vista Ridge High Service Pump Station and Well Field Facilities Electrical Service Route Exhibit
TO: San Antonio Water System Board of Trustees

FROM: Tracey B. Lehmann, P.E., Director, Development, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: UTILITY SERVICE AGREEMENTS 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: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves Utility Service Agreements (USAs) 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 is located outside the System’s water and/or wastewater Certificate of Convenience and Necessity (CCN).

- This board item consists of three tracts, which total 213.64 acres; 1,082 water Equivalent Dwelling Units (EDUs); and 1,079 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 River Rock Ranch Tract is located within the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and outside the wastewater CCN. The USA provides 130 EDUs of water and 130 EDUs of wastewater services.

- The Palo Alto Trails II Tract is located inside the City of San Antonio City Limits, inside the System’s water CCN and the wastewater CCN. The USA provides 200 EDUs of water and 197 EDUs of wastewater services and consists of oversized infrastructure.

- The KB Home-Sulphur Springs Tract is located inside the City of San Antonio City Limits, inside the System’s water CCN and partially outside the wastewater CCN. The USA provides 752 EDUs of water and 752 EDUs of wastewater services.
Utility Service Agreements to the Specified Tracts Requiring Oversizing And/or Outside the System’s Water and/or Wastewater CCN

- 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>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>River Rock Ranch</td>
<td>Green Land Ventures, LTD</td>
<td>42.02</td>
<td>130</td>
<td>130</td>
<td>COSA ETJ</td>
<td>INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE</td>
<td>OUTSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Palo Alto Trails II</td>
<td>Saddle Creek Real Estate, LLC</td>
<td>40.22</td>
<td>200</td>
<td>197</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>KB Home-Sulphur Springs</td>
<td>Kenneth Ray Rothe</td>
<td>131.40</td>
<td>752</td>
<td>752</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE</td>
<td>OUTSIDE</td>
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<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>213.64</strong></td>
<td><strong>1,082</strong></td>
<td><strong>1,079</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Acronyms:
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- CCN = Certificate of Convenience and Necessity
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- IFC = Impact Fee Credits
- CoSA = City of San Antonio limits
- ETJ = Extraterritorial Jurisdiction
- JBSA = Joint Base San Antonio Buffer Zone

**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
Utility Service Agreements to the Specified Tracts Requiring Oversizing and/or Outside the System’s Water and/or Wastewater CCN

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>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>River Rock Ranch</td>
<td>$631,930.00</td>
<td>$429,780.00</td>
<td>$1,061,710.00</td>
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<tr>
<td>2</td>
<td>Palo Alto Trails II</td>
<td>$919,400.00</td>
<td>$296,485.00</td>
<td>$1,215,885.00</td>
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<tr>
<td>3</td>
<td>KB Home-Sulphur Springs</td>
<td>$3,456,944.00</td>
<td>$1,131,760.00</td>
<td>$4,588,704.00</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$5,008,274.00</strong></td>
<td><strong>$1,858,025.00</strong></td>
<td><strong>$6,866,299.00</strong></td>
</tr>
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</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>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>River Rock Ranch</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2</td>
<td>Palo Alto Trails II</td>
<td>$466,200.00</td>
<td>$189,000.00</td>
<td>$655,200.00</td>
<td>28.85%</td>
<td>71.15%</td>
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<tr>
<td>3</td>
<td>KB Home-Sulphur Springs</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00%</td>
<td>0.00%</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$466,200.00</strong></td>
<td><strong>$189,000.00</strong></td>
<td><strong>$655,200.00</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 at the Developer’s total cost.
Utility Service Agreements to the Specified Tracts Requiring Oversizing
And/or Outside the System’s Water and/or Wastewater CCN

Tracey B. Lehmann, P.E.
Director
Development

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
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>JBSA</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>River Rock Ranch</td>
<td>Green Land Ventures, LTD</td>
<td>Dana Green</td>
<td>COSA ETJ</td>
<td>INSIDE</td>
<td>Y</td>
<td>11 / 12</td>
<td>42.02</td>
<td>130</td>
<td>130</td>
<td>Headwaters Leon Creek Watershed</td>
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<tr>
<td>2</td>
<td>Palo Alto Trails II</td>
<td>Saddle Creek Real Estate, LLC</td>
<td>Dale Slinkard</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>790</td>
<td>40.22</td>
<td>200</td>
<td>197</td>
<td>Lower Leon Creek Watershed</td>
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<td>3</td>
<td>KB Home-Sulphur Springs</td>
<td>Kenneth Ray Rothe</td>
<td>Kenneth Ray Rothe</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>3</td>
<td>131.40</td>
<td>752</td>
<td>752</td>
<td>Rosillo Creek and Upper Calaveras Creek Watersheds</td>
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<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>213.64 1,082 1,079</td>
<td></td>
</tr>
</tbody>
</table>

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- JBSA = Joint Base San Antonio Buffer Zone
RESOLUTION NO.

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

WHEREAS, the Developer Customers, specified in the table below, have requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and have satisfied the requirements of the Board’s Regulations for Developer Customers Applicant; and

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>WW Ac/s</th>
<th>CSA/CoSA/ETJ</th>
<th>EARZ/EZ</th>
<th>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>River Rock Ranch</td>
<td>Green Land Ventures, LTD</td>
<td>42.02</td>
<td>130</td>
<td>130</td>
<td>INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE</td>
<td>OUTSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Palo Alto Trails II</td>
<td>Saddle Creek Real Estate, LLC</td>
<td>40.22</td>
<td>200</td>
<td>197</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>KB Home-Sulphur Springs</td>
<td>Kenneth Ray Rothe</td>
<td>131.40</td>
<td>752</td>
<td>752</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE</td>
<td>OUTSIDE</td>
</tr>
</tbody>
</table>

Total 213.64 1,082 1,079

WHEREAS, the Developer Customer’s provisions to acquire water and/or wastewater services within the System’s jurisdiction is generally illustrated in the attached Project Site Maps; and

WHEREAS, the Developer Customer is obligated to pay the prescribed fees and to comply with other applicable requirements as set forth in the Regulations for Water and/or Wastewater Service; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Utility Service Agreements and to provide water and/or wastewater services to tracts
of land requiring the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity, and (ii) to provide that the Utility Service Agreements will be honored for a period of thirty-six months, and that if not exercised during this period, the Utility Service Agreements will expire; now, therefore:

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

1. That the System hereby approves the Utility Service Agreements and agrees to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity as generally illustrated in the attached Project Site Maps hereto, on a Developer Customer basis as provided for in the Board's Regulations, applicable amendments to the Regulations, and any other applicable federal, state or local regulations.

2. That the Utility Service Agreements shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service 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 5th day of June, 2018.

_______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Amy Hardberger, Secretary

Attachments:
1. Project Site Maps
KB Home-Sulphur Springs Tract
752 Water EDUs
752 Sewer EDUs
131.4 Acres
USA-18713

SAWS Sewer CCN

Outside SAWS Sewer CCN
TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE EASTERN SEWERSHED PACKAGE IV PROJECT

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $3,783,355.00 to SAK Construction, LLC, a non-local, non-SMWVB firm, in connection with the Eastern Sewershed Package IV Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree for the Eastern Sewershed Package IV Project 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 in need of repair based on condition assessment.

- This contract will be for the rehabilitation of approximately 14,562 feet of 24-inch to 42-inch sewer main by cured-in-place lining method, 23 manhole adjustments, and 3 manhole reconstructions.

- SAK Construction, LLC has submitted the lowest responsible bid of $3,783,355.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $3,783,355.00 for wastewater related construction work under job number 17-4527.
SUPPLEMENTARY COMMENTS:

RPS Klotz Associates prepared the plans and specifications for the project. The engineer’s estimated construction cost for this project is $8,781,435.00.

A bid opening was held on May 2, 2018, at 10:30 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAK Construction, LLC*</td>
<td>$3,783,355.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Insituform Technologies, LLC</td>
<td>$4,081,679.00</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Ric-Man Construction Florida Inc.</td>
<td>$5,478,194.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Cruz Tech, Inc.</td>
<td>$6,441,310.33</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Layne Inliner, LLC</td>
<td>$7,932,825.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$8,781,435.00</td>
<td></td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 56.9 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Eastern Sewershed Package IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAK Construction, LLC</td>
</tr>
<tr>
<td>SMWVB 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>SMWVB Total</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Eastern Sewershed Package IV Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO SAK CONSTRUCTION, LLC IN THE AMOUNT OF $3,783,355.00 IN CONNECTION WITH THE EASTERN SEWERSHED PACKAGE IV PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $3,783,355.00 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 $3,783,355.00 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 used to rehabilitate sewer mains in need of repair based on condition assessment; 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-SMWVB firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $3,783,355.00 for the project work; and

WHEREAS, System funds in the amount of $3,783,355.00 are required for the project work; and

WHEREAS, the total amount of $3,783,355.00 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 award a construction contract to SAK Construction, LLC in the amount of $3,783,355.00 in connection with the Eastern Sewershed Package IV Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $3,783,355.00 from the System’s Project Fund, and (iii) to authorize 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 $3,783,355.00 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a construction contract in the amount of $3,783,355.00 is hereby awarded to SAK Construction, LLC in connection with the Eastern Sewershed Package IV Project.

2. That the expenditure of funds in an amount not to exceed $3,783,355.00 for the project work is hereby approved and made available from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with SAK Construction, LLC, and to pay SAK Construction, LLC an amount not to exceed $8,783,355.00 in connection with the Eastern Sewershed Package IV Project.

4. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that 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 5th day of June, 2018.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

FROM: Gail A. Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVING AN ADVANCE FUNDING AGREEMENT AND AUTHORIZING THE EXPENDITURE OF FUNDS TO THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE LOOP 1604: FROM US 281 TO FM 1303 PROJECT

Board Action Date: June 5, 2018

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 the expenditure of funds to TxDOT in an amount not to exceed $3,934,856.34 for the joint construction of water and sewer facility adjustments in connection with the Loop 1604: From US 281 to FM 1303 project.

- TxDOT intends to expand Loop 1604 from two lanes to four lanes in the area illustrated on the attached maps. TxDOT’s roadway and drainage construction cost estimate is $34,841,750.36 for the TxDOT work.
- Due to roadway reconstruction and expansion within the Loop 1604: From US 281 to FM 1303 project, existing water mains constructed between 1997 and 2016 require adjustment to avoid conflicts with proposed TxDOT improvements.
- Existing sewer facilities within the project limits that were constructed between 2004 and 2013 require adjustment to avoid conflicts with proposed TxDOT improvements.
- The water adjustment work will consist of approximately 6,000 feet of 6-inch through 16-inch water main.
- The sewer adjustment work will consist of approximately 3,800 feet of 10-inch sanitary sewer force main and 760 feet of 12-inch gravity sewer main.
- Funds authorized for this project will be transferred to TxDOT following the San Antonio Water System’s Board of Trustees approval and execution of the Advance Funding Agreement.
- The bid opening is scheduled for June 2018.
Approval of an Advance Funding Agreement and Expenditure of Funds to the Texas Department of Transportation for the Loop 1604: From US 281 to FM 1303 Project

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $2,274,944.52 for water work. The job number is 17-5024.

The sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $1,659,911.82 for sewer work. The job number is 17-5519.

Gail A. Hamrick-Pigg, P.E.
Director
Pipelines

Andrea L.H. Beymer, 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

LOOP 1604: FROM US 281 TO FM 1303
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

LOOP 1604: FROM US 281 TO FM 1303

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 ADJUSTMENTS OF WATER AND SEWER FACILITIES BY THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE LOOP 1604: FROM US 281 TO FM 1303 PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $3,934,856.34 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 expand Loop 1604 from 2 lanes to 4 lanes on the Loop 1604: From US 281 to FM 1303 project; and

WHEREAS, the Loop 1604: From US 281 to FM 1303 project will require the adjustment of certain water and sewer facilities (the “project work”) of the San Antonio Water System (the “System”); 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 $3,934,856.34 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 and sewer facilities in connection with the Loop 1604: From US 281 to FM 1303 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 an amount not to exceed $3,934,856.34 for the project work; now, therefore:

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

1. That an Advance Funding Agreement with TxDOT is hereby approved and the
President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Advance Funding Agreement with TxDOT in connection with the Loop 1604: From US 281 to FM 1303 project.

2. That the expenditure of funds in an amount not to exceed $3,934,856.34 for the adjustment of water and sewer facilities by TxDOT in connection with the Loop 1604: From US 281 to FM 1303 project is hereby authorized.

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

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

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 5th day of June, 2018.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

FROM: Michael L. Myers, P.E., Director, Plants and Major Projects, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE TURTLE CREEK NO. 3 WELL DRILLING PROJECT

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Weisinger Incorporated, a non-local, non-SMWVB firm, in the amount of $4,119,500.00 in connection with the Turtle Creek No. 3 Well Drilling Project (the “Project”).

- The existing Turtle Creek No. 3 secondary pump station is located at the intersection of Bluffcreek Drive and Bluffdale Drive near the Medical Center in northwest San Antonio.

- The station is 43 years old and serves the Medical Center and surrounding area. The station includes one well, a disinfection system, and electrical equipment that is in need of replacement.

- This project is the second phase of this new primary pump station. The work consists of drilling, constructing, developing, testing and temporary capping of two Edwards Aquifer ground production wells. The first phase involves the relocating of a sewer main that bisects the property and is currently under construction.

- Additional phases will be required to complete the pump station that will include the two well’s pump and motor, high service pumps, one ground storage tank, electrical equipment, disinfection system, and a transmission main to convey water from this station to the Medical Elevated Storage Tank located along Fredericksburg Road.

- Weisinger Incorporated has submitted the lowest responsible bid of $4,119,500.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This work is included in the Wastewater Core Business, Production Budget Line Item. The total amount is $4,119,500.00 for water related work under job number 17-6008.
SUPPLEMENTARY COMMENTS:

Stantec Consulting Services, Inc. prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $2,053,380.00.

A bid opening was held on April 19, 2018. The following bids were submitted.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,053,380.00</td>
<td></td>
</tr>
<tr>
<td>Weisinger Incorporated*</td>
<td>$4,119,500.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Hydro Resources Mid-Continent, Inc.</td>
<td>$4,610,250.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 100.56 percent increase from the estimated construction cost. Due to staff concerns with the engineer’s estimated construction cost, SAWS requested an independent cost estimate from WSP, an experienced well design firm. The independent cost estimate from WSP was $3,773,370.00 which equates to a 9.17 percent difference to the low bid. This contract has 180 calendar days for construction completion.

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

<table>
<thead>
<tr>
<th>Turtle Creek No. 3 Well Drilling Project</th>
<th>Weisinger Incorporated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
<td></td>
</tr>
<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>
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<tr>
<td>WBE–Minority</td>
<td>0.00%</td>
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<tr>
<td>WBE–Non–Minority</td>
<td>20.44%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>20.44%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Turtle Creek No. 3 Well Drilling Project

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

Andrea L.H. Beymer, 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 AWARDING A CONSTRUCTION CONTRACT
TO WEISINGER INCORPORATED IN THE AMOUNT OF
$4,119,500.00 IN CONNECTION WITH THE TURTLE
CREEK NO. 3 WELL DRILLING PROJECT; APPROVING
EXPENDITURE OF FUNDS AND MAKING AVAILABLE
AN AMOUNT NOT TO EXCEED $4,119,500.00 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
WEISINGER INCORPORATED, AND TO PAY WEISINGER
INCORPORATED AN AMOUNT NOT TO EXCEED
$4,119,500.00 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 Capital Improvement Program includes the construction funding for the Turtle Creek No. 3 Well Drilling Project secondary pump station located at the intersection of Bluffcreek Drive and Bluffdale Drive near the Medical Center in northwest San Antonio; and

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

WHEREAS, Weisinger Incorporated, a non-local, non-SMWVB firm, has submitted a bid of $4,119,500.00 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $4,119,500.00 are required for the project work; and

WHEREAS, the total amount of $4,119,500.00 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 award a construction contract to Weisinger Incorporated in the amount of $4,119,500.00 in connection with the Turtle Creek No. 3 Well Drilling Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $4,119,500.00 from the System’s Project Fund, (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Weisinger Incorporated, and to pay Weisinger Incorporated an amount not to exceed $4,119,500.00 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a construction contract in the amount of $4,119,500.00 is hereby awarded to Weisinger Incorporated in connection with the Turtle Creek No. 3 Well Drilling Project.

2. That the expenditure of funds in an amount not to exceed $4,119,500.00 for the project work is hereby approved and made available from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Weisinger Incorporated, and to pay Weisinger Incorporated an amount not to exceed $4,119,500.00 in connection with the Turtle Creek No. 3 Well Drilling Project.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED the 5th day of June, 2018.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: AWARD OF TASK ORDER CONTRACTS IN CONNECTION WITH INFORMATION TECHNOLOGY CONSULTING AND TECHNICAL SUPPORT SERVICES

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards 13 task order contracts to the following firms in connection with information technology consulting and technical support services (collectively, the “IS Task Order Contracts”), and authorizes an overall not to exceed amount of $6,000,000.00 for the IS Task Order Contracts (collectively the “Combined Task Order Not to Exceed Amount”):


Selected firms will provide IT consulting and technical support services in the areas of Enterprise Databases, IT Infrastructure, Application Development, Information Security Services, Networking, and Custom Application Development and Cloud Platforms.

Given the large number of various technologies and the rapid pace of change and innovation in the IT field, it is not viable to employ experts in all areas.

Using the task order approach will allow the IS Department greater flexibility, as well as assist the San Antonio Water System (SAWS) in realizing efficiencies in obtaining IT resources. In addition, it will allow the department to quickly ramp up project teams on as-needed basis and to receive the highest level of expertise in the required areas.

A Request for Qualifications was released on February 13, 2018, for the IS Task Order Contracts, each with a two-year term and option to renew for two additional one-year periods thereafter. Thirty three responses were received.

The 13 firms identified above were selected by the evaluation committee as having the best overall proposals for SAWS based on experience and qualifications, similar past projects and performance, task order implementation approach, and SWMVB participation.
Work will be assigned on a task order basis, as needs are identified. The scope of services and fees will be negotiated for each task order prior to issuing an authorization to proceed.

This resolution also authorizes the Combined Task Order Not to Exceed Amount. A separate Purchase Order will be created for each of the 13 firms within SAWS’ financial software application to monitor expenditures on a “per firm” basis. The IS department will be responsible for tracking all expenditures across all firms and projects to ensure adherence to the Combined Task Order Not to Exceed Amount.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

Funds for the services to be provided during FY 2018, FY 2019, FY 2020, FY 2021 will be paid from System Fund budget (Company: 1000, Various Accounting Units, Various Accounts).

**SUPPLEMENTARY COMMENTS:**

SAWS awarded from the following:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambonare Incorporated*</td>
<td>Non-Local/MBE-Asian</td>
</tr>
<tr>
<td>AMER Technology, Inc.</td>
<td>Local/MBE-Asian</td>
</tr>
<tr>
<td>AT&amp;T Corp</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Avertra Corp</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Beacon Systems, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>CliftonLarsonAllen LLP</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Dataman USA, LLC</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Denim Group, Ltd.*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Digital Software, Inc.*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>General Datatech, L.P.*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Genesis Concepts &amp; Consultants, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>GNC Consulting, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Grant Thornton LLP*</td>
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</tr>
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<td>Pedraza Staffing Services</td>
<td>Non-Local/Non-SMWVB</td>
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<td>Loblolly Consulting, LLC*</td>
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<tr>
<td>P3S Corporation</td>
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<td>PricewaterhouseCoopers LLP</td>
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<tr>
<td>Principle Information Technology Company dba Principle Group*</td>
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</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>-----------------</td>
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<td>Quacito LLC</td>
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<tr>
<td>RFD &amp; Associates, Inc.</td>
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<td>Sistema Technologies, Inc.</td>
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<td>SoftHQ, Inc.*</td>
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<td>Stellar Services, Inc.*</td>
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<tr>
<td>Taurean General Services, Inc. dba The Taurean Group*</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>True North Consulting Group*</td>
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<tr>
<td>True North Recruiting, LLC</td>
<td>Local/Non-SMWVB</td>
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<tr>
<td>Vertical Technologies LLC*</td>
<td>Local/Non-SMWVB</td>
</tr>
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<td>Vinformax Systems, Inc</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>West Advanced Technologies, Inc. dba World Access Technologies</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td><strong>West Monroe Partners, LLC</strong></td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firms

Sire Pulapaka  
Vice President/Chief Information Officer

Douglas F. Evanson  
Senior Vice President/Chief Financial Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING TASK ORDER CONTRACTS TO VARIOUS FIRMS IN THE TOTAL AMOUNT NOT TO EXCEED $6,000,000.00 IN CONNECTION WITH INFORMATION TECHNOLOGY CONSULTING AND TECHNICAL SUPPORT SERVICES; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE A TOTAL AMOUNT NOT TO EXCEED $6,000,000.00 FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE TASK ORDER CONTRACTS WITH THE VARIOUS FIRMS IN A TOTAL AMOUNT NOT TO EXCEED $6,000,000.00 IN CONNECTION WITH INFORMATION TECHNOLOGY CONSULTING AND TECHNICAL SUPPORT 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”) requires regular services in the areas of Enterprise Databases, IT Infrastructure, Application Development, Information Security Services, Networking, and Custom Application Development and Cloud Platforms; and

WHEREAS, given the large number of various technologies and the rapid pace of change and innovation in the IT field, it is not viable to employ experts in all areas; and

WHEREAS, using the task order approach will allow the IS department greater flexibility, as well as assist the System to realize efficiencies in obtaining IT resources; and

WHEREAS, using the task order approach will allow the department to quickly ramp up project teams on as-needed basis and to receive highest level of expertise in the required areas; and

WHEREAS, the System released a Request for Qualifications on February 13, 2018 for the required information technology consulting and technical support services; and

WHEREAS, the System selected the following 13 firms to provide information technology consulting and technical support services, as needed on a task order basis:
WHEREAS, the selected firms provided the best overall proposals for the System on the basis of experience and qualifications, similar past projects and performance, task order implementation approach, and SWMVB participation; and

WHEREAS, contracts to the selected firms, and the aggregate expenditures paid to the selected firms shall not exceed $6,000,000.00; and

WHEREAS, the amount of $6,000,000.00 is available from the System Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award task order contracts to the above-referenced selected firms with a total amount not to exceed for all contracts collectively of $6,000,000.00 in connection with information technology consulting and technical support services, (ii) to approve the expenditure of funds and make available an amount not to exceed $6,000,000.00 from the System Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the task order contracts with the selected firms and to make payment(s) not to exceed $6,000,000.00 collectively in connection with information technology consulting and technical support services; now, therefore:

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

1. That the 13 task order contracts to the selected firms are hereby awarded in connection with information technology consulting and technical support services.

2. That an amount not to exceed $6,000,000.00 is hereby made available and is 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 task order contracts with selected firms and to make payment(s) not to exceed $6,000,000.00 collectively in connection with information technology consulting and technical support 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 word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon
any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

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

PASSED AND APPROVED this 5th day of June, 2018.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Amy Hardberger, Secretary
AGENDA ITEM NO. 23

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: RECOMMENDING THE AUTHORIZATION BY CITY COUNCIL OF A CAPACITY RESERVATION FEE OF $912.00 PER TON HOUR OF DEMAND TO RESERVE NEW OR EXPANDED CAPACITY FOR CUSTOMERS IN THE SAWS DOWNTOWN CHILLED WATER SYSTEM; AUTHORIZING SAWS TO NEGOTIATE THE TERMS OF PAYMENT OF THE FEE WITH EACH CUSTOMER; RECOMMENDING THAT THE CITY COUNCIL ADOPT THE NECESSARY AMENDMENTS TO CHAPTER 34 OF THE CITY CODE

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The San Antonio Water System (SAWS) operates and maintains a chilled water system that serves downtown City facilities and private businesses with fixed capacity. Current customers have commitments for a total of 20,408 tons of chilled water demand. The City of San Antonio controls 70.7% of the committed tonnage (e.g. Alamodome and Convention Center), various downtown hotels and businesses have 24.5% of the demand (e.g. Grand Hyatt, Hilton Palacio del Rio and Marriott Riverwalk) with the remaining 4.8% controlled by federal government users (e.g. Federal Building and U.S. Courthouse).

A developer of a mixed use project in Hemisfair Park is expected to begin construction in 2018 and wishes to reserve capacity in the downtown chilled water system to serve the project. The City expects other future Hemisfair projects may require assured capacity in the downtown chilled water system going forward.

The attached resolution recommends that City Council approve the establishment of a capacity reservation fee of $912.00 per ton hour of demand to be assessed as a condition of new or expanded service for customers in the downtown chilled water system to ensure the availability of resources for future expansion or replacement of chilled water infrastructure.

The resolution further recommends that the City Council authorize SAWS to negotiate the terms of payment of the capacity reservation fee in the form of one single payment or payment over time as part of the chilled water service agreement with the customer.

Finally, the resolution recommends that the City Council adopt amendments to Chapter 34 of the City Code to add the capacity reservation fee to Schedule “A” Chilled Water Service Rate Schedule for Downtown Area, which appears in Chapter 34, Article X of the City Code of the City of San Antonio as set forth in Attachment I.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The amount of the capacity reservation fee is based on the cost to acquire and install a new 2,000 ton chiller: $1.82 million dollar, $912.00 is the result of dividing $1.82 million by 2,000 tons. All revenue from the proposed fee would be reserved for infrastructure expansions and necessary replacements to the downtown chilled water system.

Douglas P. Evans
Senior Vice President/Chief Financial Officer

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:

ATTACHMENT I: Schedule “A” Chilled Water Service Rate Schedule for Downtown Area
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RECOMMENDING THE AUTHORIZATION BY CITY COUNCIL OF A CAPACITY RESERVATION FEE OF $912.00 PER TON HOUR OF DEMAND TO RESERVE NEW OR EXPANDED CAPACITY FOR CUSTOMERS IN THE SAWS DOWNTOWN CHILLED WATER SYSTEM; AUTHORIZING THE SYSTEM TO NEGOTIATE THE TERMS OF PAYMENT OF THE FEE WITH EACH CUSTOMER; RECOMMENDING THAT THE CITY COUNCIL ADOPT AMENDMENTS TO CHAPTER 34 OF THE CITY CODE INCORPORATED THEREIN AS SET FORTH IN ATTACHMENT I TO BE EFFECTIVE IMMEDIATELY; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, SAWS operates and maintains a chilled water system that serves downtown City facilities and private businesses with fixed capacity; and

WHEREAS, a developer of a mixed use project in Hemisfair Park is expected to begin construction in 2018 and wishes to reserve capacity in the downtown chilled water system to serve the project; and

WHEREAS, the City expects other future Hemisfair projects may require assured capacity in the downtown chilled water system going forward; and

WHEREAS, to the establishment of a capacity reservation fee of $912.00 per ton hour of demand to be assessed as a condition of new or expanded service for customers in the downtown chilled water system is necessary to ensure the availability of resources for future expansion or replacement of chilled water infrastructure; and

WHEREAS, it is recommended that the City Council authorize the establishment of a capacity reservation fee of $912.00 per ton hour of demand to be assessed as a condition of new or expanded service for customers in the downtown chilled water system, effective immediately; and

WHEREAS, it is recommended that the City Council authorize SAWS to negotiate the terms of payment of the capacity reservation fee in the form of one single payment or payment over time as part of the chilled water service agreement with the customer; and

WHEREAS, it is recommended that the City Council adopt amendments to Chapter 34 of the City Code to add the capacity reservation fee to Schedule “A” Chilled Water
Service Rate Schedule for Downtown Area, which appears in Chapter 34, Article X of the City Code of the City of San Antonio as set forth in Attachment I; and

**WHEREAS,** the San Antonio City Council is empowered to approve and adopt the proposed fee and proposed adjustments to Chapter 34 of the City Code; and

**WHEREAS,** the San Antonio Water System Board of Trustees desires (i) to determine the necessity for the establishment of a capacity reservation fee to ensure the availability of resources for future expansion or replacement of chilled water infrastructure, (ii) to recommend that the City Council authorize the establishment of a capacity reservation fee of $912.00 per ton hour of demand to be assessed as a condition of new or expanded service for customers in the downtown chilled water system, effective immediately, (iii) to recommend that the City Council authorize SAWS to negotiate the terms of payment of the capacity reservation fee in the form of one single payment or payment over time as part of the chilled water service agreement with the customer, and (iv) to recommend that the City Council adopt amendments to Chapter 34 of the City Code to add the capacity reservation fee to Schedule “A” Chilled Water Service Rate Schedule for Downtown Area, which appears in Chapter 34, Article X of the City Code of the City of San Antonio as set forth in Attachment I; now, therefore:

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

1. That the necessity for the establishment of a capacity reservation fee to ensure the availability of resources for future expansion or replacement of chilled water infrastructure is hereby determined.

2. That the authorization by the City Council of the establishment of a capacity reservation fee of $912.00 per ton hour of demand to be assessed as a condition of new or expanded service for customers in the downtown chilled water system is hereby recommended.

3. That the authorization of SAWS by the City Council to negotiate the terms of payment of the capacity reservation fee in the form of one single payment or payment over time as part of the chilled water service agreement with the customer is hereby recommended.

4. That the authorization by the City Council of amendments to Chapter 34 of the City Code to add the capacity reservation fee to Schedule “A” Chilled Water Service Rate Schedule for Downtown Area, which appears in Chapter 34, Article X of the City Code of the City of San Antonio as set forth in Attachment I is hereby recommended.

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 of word of this Resolution is for any reason held to be unconstitutional, illegal, inoperative, or invalid, 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 5th day of June, 2018.

___________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary
ATTACHMENT I
SCHEDULE “A”

CHILLED WATER SERVICE RATE SCHEDULE FOR DOWNTOWN AREA
SAN ANTONIO WATER SYSTEM
San Antonio, Texas
Effective December 1, 2002

Billings for chilled water service shall be produced on a monthly basis and shall consist of both a capacity charge and a commodity charge as follows.

CAPACITY CHARGE

The capacity charge shall be $18.40 per ton hour of demand. The demand shall be the largest number of tons of cooling demanded in any of the twelve months ending with the month next preceding the month in which the bill is dated or the connected load specified in the contract with the customer, whichever is the greater of the two. The demand for the Alamodome, which is an event driven facility with occasional peaks in demand during off peak hours and long periods of low demand, shall be defined in a service agreement between the City of San Antonio and the San Antonio Water System to account for its unique and unpredictable demands on the chilled water system.

COMMODITY CHARGE

A commodity charge will be applied to the monthly metered consumption. The commodity charge will provide for the pass-through of the utility costs, including water and energy costs. No commodity charge shall be made if the metered use of the customer is zero (0) during the month.

The commodity charge will be computed as follows; all utility costs of the previous month will be recovered through an allocation to the consumption of the billing period. In addition, the payment to the city's general fund will be added where applicable.

Utility costs + Payment to general fund = Commodity charge consumption

CAPACITY RESERVATION FEE

As a condition to receiving service, each new customer requested new or expanded service shall pay a Capacity Reservation Fee of $912 per ton hour of demand under payment terms established as part of the chilled water service agreement requiring approval by the Board of Trustees.

ADJUSTMENT FOR PAYMENT TO THE CITY GENERAL FUND

The City of San Antonio may change the percentage for payment to the city general fund pursuant to City Ordinance No. 75686, which is currently established at 2.7% of gross revenues. At that time, the commodity and capacity charge will be revised to include the new percentage of payment to the City of San Antonio.

DEFINITIONS

A ton is defined as 12,000 Btu's per hour.
An hour is defined as 60 consecutive minutes.
Gross Revenue is defined in City Ordinance No. 75686.
TO: San Antonio Water System Board of Trustees

FROM: Tracey B. Lehmann, P.E., Director, Development, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: UTILITY SERVICE AGREEMENT FOR WATER SERVICE TO A TRACT LOCATED IN KENDALL COUNTY, OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER CERTIFICATE OF CONVENIENCE AND NECESSITY AND OUTSIDE THE CITY OF SAN ANTONIO EXTRA TERRITORIAL JURISDICTION

Board Action Date: June 5, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Utility Service Agreement (USA) to provide water service to the specified tract of land located in Kendall County, outside the San Antonio Water System’s (the “System”) water Certificate of Convenience and Necessity (CCN) and the City of San Antonio Extra Territorial Jurisdiction.

- This board item consists of one tract, which totals 374.86 acres (the “Biedenharn Tract” or “Tract”); 2,075 water Equivalent Dwelling Units (EDUs); and zero wastewater EDUs.

- Board approval is required since the Tract is located outside the System’s water CCN.

- The Biedenharn Tract is located in Kendall County, and is part of a 1,056 acre area called the Kendall County Water Control & Improvement District No.3 (the “WCID”). The Tract is outside the City of San Antonio Extra Territorial Jurisdiction, outside the System’s water CCN and outside the wastewater CCN.

- The System has been requested to provide water service to this Tract due to the challenges in securing water service and reliable infrastructure. There is not an entity obligated to provide water service to this Tract as it is not within an existing CCN.

- The System, through its contractual agreement with the Guadalupe Blanco River Authority (GBRA; such agreement being referred to as the “GBRA Agreement”), is currently unable to serve the Tract with water supplied to the System by the GBRA without modifications and approvals from the GBRA. In the event the GBRA water supply to the System is interrupted or impaired, the System currently is further legally prohibited from providing the alternate water supply of Edwards aquifer water under the Edwards Aquifer Authority (EAA) jurisdiction, as water produced from the Edwards Aquifer shall be used within the boundaries of the Edwards Aquifer Authority, which does not include Kendall County.
• Because of the service limitations for this USA, the System’s service commitment through this USA is initially limited to 200 EDU’s; however, in the event that the Developer, (i) provides infrastructure required by the System for back up water supply, constructs a 1.5 million gallon elevated storage tank and secures long term water supply from the GBRA beyond 2037, or (ii) removes limitations on the System’s ability to provide water to Kendall County that is produced from the Edwards Aquifer or provides an alternate water supply acceptable to System staff in its sole discretion by September 1, 2021, or (iii) constructs a pipeline from the Salado Pump Station to deliver non-Edwards Aquifer water to the tract, the 200 EDU cap will be removed, as applicable, up to a total of 2,075 EDUs requested in the USA.

• The System’s obligation to provide any service to the Tract is conditioned upon the following (the “Conditions Precedent”), which must be satisfied in the System’s discretion, within 180 days after the effective date of the USA:

1. An amendment to the GBRA Agreement for the System to provide service to the area.
2. The Developer providing the System with a Declaration of Restrictive Covenants imposing certain development conditions on the entire area within the Kendall County Water Control and Improvement District No. 3 (the “WCID”), including regulations related to Drainage Pollution Prevention and Control, Tree Preservation and Canopy Coverage, Dark Sky Requirements, and Drought Management Restrictions.
3. Agreement with the WCID that it will not apply for a CCN affecting the Tract and it will not impose obligations or requirements on or affecting the System.
4. Agreement that the Developer will pay any fines, penalties or costs incurred by the System to provide service if the GBRA service is interrupted or impaired.
5. An interconnection agreement with Kendall West Utility LLC (“Kendall West”) or other third party provider acceptable to the System in its discretion to provide the back-up supply for the retail service to be provided by the System.

• 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).

• Developer shall pay for all costs related to the design and construction of infrastructure related to interconnections with Kendall West or any other entity providing a back-up water supply.
The Developer must agree to certain development conditions specific to the Tract as outlined the USA because of the unique nature of the development and its location before the System can provide water service to the Tract.

Approval is this item and new USA shall terminate the existing USA and rescind the Board Resolution No. 18-072, which was passed on March 6, 2018.

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>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Biedenharn Tract</td>
<td>Bakke Development</td>
<td>374.86</td>
<td>2,075</td>
<td>0</td>
<td>OUTSIDE / INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>OUTSIDE / OUTSIDE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- CoSA = City of San Antonio limits
- ETJ = Extraterritorial Jurisdiction
- JBSA = Joint Base San Antonio Buffer Zone
- IFC = Impact Fee Credits
- CCN = Certificate of Convenience and Necessity

**EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:**

Upon approval by the System of this USA, subject to the satisfaction of the Conditions Precedent, the Developer Customer has 36 months to complete the required utility master plan and to start construction. If the Developer Customer fails to complete these requirements within the 36-month period, or the Conditions Precedent are not satisfied within the 180 day timeframe, then 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 system will be set aside. The Developer Customer is 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
Utility Service Agreement to the Specified Tracts Requiring Oversizing
And/or Outside the System’s Water and/or Wastewater CCN

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>
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<tr>
<td>1</td>
<td>Biedenharn Tract</td>
<td>$10,086,575.00</td>
<td>$0.00</td>
<td>$10,086,575.00</td>
</tr>
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</table>

The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations at the Developer’s total cost.

If the limitations on the System’s ability to provide water from the Edwards Aquifer or from the GBRA Agreement are not removed by 2037, then the System will be required to provide alternative supplies to serve this tract and the associated infrastructure. The System would include in the future master plan(s) such potential infrastructure requirements. The cost to provide alternative supplies to this tract in the year 2037 is uncertain at this time.

Tracey B. Lehmann, P.E.
Director
Development

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Table 1, Tract Information
Table 1
Tract Information

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>JBSA</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>Biedenharn Tract</td>
<td>Bakke Development</td>
<td>Phil Bakke</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>Y</td>
<td>12</td>
<td>374.86</td>
<td>2,075</td>
<td>0</td>
<td>Balcones Creek-Cibolo Creek Watershed</td>
<td>OUTSIDE CCN</td>
</tr>
</tbody>
</table>

Acronyms:
EARZ = Edwards Aquifer Recharge Zone
CZ = Edwards Aquifer Contributing Zone
CoSA = City of San Antonio limits
ETJ = Extraterritorial Jurisdiction
JBSA = Joint Base San Antonio Buffer Zone

OVR = Oversizing
WW = Wastewater
PZ = Pressure Zone
IFC = Impact Fee Credits
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE UTILITY SERVICE AGREEMENT (USA) TO PROVIDE WATER SERVICES TO THE SPECIFIED 374.86 ACRE TRACT OF LAND IN KENDALL COUNTY, TEXAS, SUBJECT TO CERTAIN CONDITIONS PRECEDENT; TERMINATING THE EXISTING USA AND RESCINDING RESOLUTION NO. 18-072 UPON THE EXECUTION OF THE NEW USA; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Developer Customer, specified in the table below, has requested the San Antonio Water System (the “System”) to provide water service, and has satisfied the requirements of the Board's Regulations for Developer Customers Applicant; and

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA</th>
<th>CoSA ETJ</th>
<th>EARZ / CZ</th>
<th>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
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<td>Y</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>OUTSIDE</td>
<td></td>
</tr>
</tbody>
</table>

WHEREAS, the Developer Customer’s provisions to acquire water 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 Service; and

WHEREAS, the System’s obligation to provide service to the Tract is conditioned upon the following (the “Conditions Precedent”), which must be satisfied in the System’s discretion, within 180 days of the Effective Date of the USA:

1. An amendment to the Agreement between the System and the Guadalupe-Blanco River Authority (“GBRA”) dated March 17, 2000 to provide service to the area.
2. The Developer providing the System with a Declaration of Restrictive Covenants imposing certain development conditions on the entire area within the Kendall County Water Control and Improvement District No. 3 (“WCID”), including regulations related to Drainage Pollution Prevention and Control, Tree Preservation and Canopy Coverage, Dark Sky Requirements, and Drought Management Restrictions.
3. An Agreement with the WCID that it will not apply for a CCN affecting the Tract and it will not impose obligations or requirements on or affecting the System.
4. An Agreement that the Developer will pay any fines, penalties or costs incurred by the System to provide service if the GBRA service is interrupted or impaired; and
5. An interconnect agreement with Kendall West Utility LLC, or any other
provider in the System’s discretion, to provide the back-up water supply for all retail services to be provided by the USA; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Utility Service Agreement and to provide water services to a 374.86 acre tract of land in Kendall County, Texas, (ii) to authorize the President/CEO to negotiate and execute all of the agreements and other documents required or advisable in order to satisfy the Conditions Precedent and determine the satisfaction of the Conditions Precedent; and (iii) 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, or if the Conditions Precedent are not satisfied within 180 days of its effective date, the Utility Service Agreement 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 in substantially the form attached as Attachment 2 to this resolution, and agrees to provide water services to the Tract 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 President/CEO is hereby authorized to negotiate and execute all of the agreements and other documents required or advisable in order to satisfy the Conditions Precedent, and determine that satisfaction of the Conditions Precedent. Board Resolution No. 18-072, which was passed March 6, 2018, and the USA executed pursuant thereto, shall be respectively rescinded and terminated upon the effective date of the USA approved by this Resolution.

3. 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, or if the Conditions Precedent are not satisfied within 180 days of its effective date, the Utility Service Agreement will expire.

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 its passage.

PASSED AND APPROVED this 5\textsuperscript{th} day of June, 2018.

_______________________________________

Berto Guerra, Jr., Chairman

ATTEST:

_______________________________

Amy Hardberger, Secretary

Attachments:
1. Project Site Maps
2. Utility Service Agreement with Conditions Precedent and Development Conditions
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Phase I
Approximately 6,300 LF of 24-inch approach main

Phase II
1.5 MG Elevated Tank
1,480 Foot Elevation

Phase I
Approximately 5,500 LF of 16-inch border main

Phase II
Approximately 9,700 LF of 16-inch approach main

Phase II
Connection to existing 12-inch mains

CITY OF BOERNE
Biedenharn 2075 Water EDUs
0 Sewer EDUs
374.36 Acres
USA-18993

SAN ANTONIO WATER SYSTEM
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Requires that the EAA Act is modified to allow for the use of Edwards Aquifer water within Kendall County

Phase I
- Approximately 6,300 LF of 24-inch approach main

Phase II
- Approximately 5,500 LF of 16-inch border main
- Approximately 9,700 LF of 16-inch approach main
- Connection to existing 12-inch mains
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Option 3
Map 1

CITY OF BOERNE

1,480 Foot Elevation

Biedenharn Tract
2075 Water EDUs
0 Sewer EDUs
374.86 Acres
USA-18993

Phase I
Approximately 5,500 LF of 16-inch border main

Phase II
Approximately 9,700 LF of 16-inch approach main

Phase II
Connection to existing 12-inch mains

Phase I
Approximately 6,300 LF of 24-inch approach main

San Antonio Water System

Legend
- Existing Water Main
- USA Tract
- Parcels Update
- Proposed 16-inch Approach Main
- Proposed 24-inch Approach Main
- Proposed 16-inch Border Main
- 1,480 Foot Elevation
- PS Proposed Booster Station

Project Location

Attachment III:
USA-18993
Biedenharn Tract
Proposed Water Infrastructure Map
374.86 Acres
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Phase II
Approximately 40,000 LF of 60-inch Main

Phase II
40MGD of Pump Station Improvements
UTILITY SERVICE AGREEMENT WITH

CONDITIONS PRECEDENT AND DEVELOPMENT CONDITIONS

STATE OF TEXAS §

COUNTY OF BEXAR §

This Utility Service Agreement (“Agreement”) is entered into by and between the San Antonio Water System Board of Trustees, through Resolution Number________, acting by and through its President/Chief Executive Officer (“SAWS”) and Bakke Development (“Developer”) together the Parties (“Parties”).

Recitals

Whereas, Developer has requested that SAWS provide Water service (the “Services”) to an approximate 374.86-acre tract of land, (the “Biedenharn Tract” or “Tract”), which is located outside SAWS water CCN, outside SAWS wastewater CCN, and does not require SAWS’ financial participation in the development of infrastructure through oversizing or impact fee credits, therefore, Board action is required; and

Whereas, the Tract is located over the Edwards Aquifer Contributing Zone, which is located within the 5-mile Awareness Zone of Camp Bullis, such Tract being more particularly described in Attachment VI hereto, as accepted by SAWS; and

Whereas, the Edwards Aquifer Authority Act (the “EAA Act”), Section 1.34 provides that water withdrawn from the Edwards aquifer must be used within the boundaries of the Edwards Aquifer Authority (the “EAA Act Prohibition”), which does not include Kendall County where this Tract is located; and

Whereas, SAWS and the Guadalupe Blanco River Authority (“GBRA”) entered into a Regional Water Supply Project for Portions of Comal, Kendall, and Bexar Counties (the “GBRA Agreement”) that provides in Section 3.11 that all water delivered by GBRA to SAWS under the GBRA Agreement shall be used exclusively within SAWS service area which is defined by a Certificate of Convenience and Necessity or within the certificated service area of a wholesale customer of SAWS, and further provides that all water delivered by GBRA to SAWS under the GBRA Agreement shall be used within Bexar County, unless and except to the extent that SAWS obtains GBRA’s prior written approval for the use outside Bexar County (the “GBRA Prohibition”); and

Whereas, because of the EAA Act Prohibition and the GBRA Prohibition, SAWS does not currently have the legal authority to provide the Services to the Tract with the two sources of water that are required to provide redundant service to the Tract, and as such, Conditions Precedent (as defined in S.C. 11.00 of the Special Conditions, and referred to herein as the “Conditions Precedent”) and certain Development Conditions (as defined in Section S.C. 12.00 of the Special Conditions, and referred to herein as the “Development Conditions”) related to the effectiveness

Utility Service Agreement Preparer’s Initials _____
USA-18993 Biedenharn Tract
06/01/18, Page 1 of 7
and extension of this Agreement are set forth in Special Conditions that must be satisfied in order to permit SAWS to guarantee capacity and provide the Services under this Agreement; and

Whereas, the Developer has also agreed to construct all development on the Tract in accordance with the City of San Antonio’s Tree Preservation, Pollution Prevention and Control, Drought Management and Dark Sky Ordinances, in addition to SAWS’ construction standards, all as more fully described in the Special Conditions; and

Whereas, SAWS desires upon satisfaction of the Conditions Precedent, and compliance with the Development Conditions, to provide the Services to the Developer pursuant to this Agreement, the SAWS Utility Service Regulations, and all applicable local, state, and federal regulations, as amended.

Now Therefore, The Parties Hereto Agree To The Following Terms and Conditions:

1.00 Interpretation of Agreement.

1.01 The Parties acknowledge that the Services contemplated by this Agreement shall be provided in accordance with the SAWS Utility Service Regulations, Design Criteria, Schedules, Attachments and Instruments thereto, as amended (together “USR”). In the event the specific terms of this Agreement are in conflict with the USR, the specific terms of this Agreement shall apply. The above notwithstanding, for the specific conflicting terms to prevail, the conflict must be expressly noted in the Agreement. The Parties further acknowledge that this Agreement is subject to future acts of the City Council of the City of San Antonio with respect to the adoption or amendment of impact fee ordinances/resolutions.

1.02 The Parties agree that the purpose of this Agreement is the reservation of the designated water supply and/or wastewater discharge capacity for the Tract. Any rights that the Developer claims arise under Chapter 245, Texas Local Government Code, that are related to this Agreement shall comply with the Unified Development Code Article IV, Division 1, Chapter 35-410 and applicable requirements in Article VII, Division 2 Vested Rights. If Developer intends to rely on this USA as its application for the purposes of vested rights under Chapter 245, then please contact Development Services Department, Land Entitlement team at 210-207-1111 or 1901 S. Alamo, San Antonio, TX. 78204. In no event shall the Utility Service Regulations replace or conflict with the City’s Unified Development Code, Article IV, Division 1, Chapter 35-410 and applicable requirements in Article VII, Division 2 Vested Rights.

2.00 Obligation Conditioned.

In addition to the Conditions Precedent and Development Conditions found in the Special Conditions of this Agreement, the obligation of SAWS to provide the Services is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the SAWS’ Regional Water Production and Distribution System and/or Regional Wastewater Transportation and Treatment System and/or the utility infrastructure directly servicing the Tract. Developer acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the execution date of this Agreement are repealed, revised or amended to such an extent that SAWS becomes incapable of, or prevented from, providing the Services, then no liability of any nature is
to be imposed upon SAWS as a result of SAWS’ compliance with such legal or regulatory mandates.

3.00 Term.

3.01 The term of this Agreement shall be seven (7) years from the Effective Date if the Developer complies with the requirements set out in G.C. 19.00 (attached) within the time period therein stated. This Agreement shall automatically expire if Developer fails to comply with the requirements of G.C. 19.00 within the time period therein provided. The term of this Agreement may be extended to fifteen (15) years from the Effective Date, if Developer complies with the requirements to extend the term set forth in G.C. 19.00 within the time period therein stated. Certain obligations of SAWS (described in Section 3.03 below) may survive the expiration of the term of this Agreement, to the extent that the Conditions Precedent are satisfied, and Developer has (i) paid all applicable impact fees for the Services at the then-current rate, and (ii) complied with all On-Site and Off-Site utility infrastructure requirements of this Agreement (described in the Special Conditions), including over-sizing requirements. The Conditions Precedent must be satisfied and the Developer must comply with the Development Conditions prior to the extension of this Agreement beyond its initial 3 year term found in G.C. 19.00, which is identified in the Water Service Special Conditions attached to this Agreement. In addition to the requirements of this term provision and those found in G.C. 19.00, the Developer must be in full compliance with the Development Conditions in order to extend this Agreement beyond its initial 3 year term as described in G.C. 19.00. SAWS shall have no obligation to guarantee capacity or provide any Services unless and until the Conditions Precedent and all of the Development Conditions are met. The planning, design and construction of any infrastructure prior to the satisfaction of the Conditions Precedent and all Development Conditions by the Developer shall be at the sole risk, cost and expense of Developer.

3.02 To the extent that SAWS’ obligations do not survive the expiration of this Agreement, Developer understands and agrees that a new Utility Service Agreement must be entered into with SAWS to receive the Services for the development project that is the subject of this Agreement.

3.03 To the extent that the Conditions Precedent are satisfied, and Developer has complied with the Development Conditions found in the Special Conditions, timely pays all applicable impact fees and complies with all On-Site and Off-Site utility infrastructure requirements prior to the expiration of this Agreement, the following obligations will survive expiration of this Agreement:

(i) SAWS’ recognition of the EDUs referenced as the subject of this agreement as Guaranteed Capacity.

(ii) SAWS’ continued recognition of impact fee credits previously earned by the Developer pursuant to Sections 15.8 and 15.9 of the USR.

(iii) SAWS’ continued provision of the Services to retail customers located in the Tract, so long as such customers pay for the services and comply with the regulations applicable to individual customers.
4.00 Entire Agreement.

The following documents attached hereto and incorporated herein are as fully a part of this Agreement as if herein repeated in full, together with this Agreement, comprise the Agreement in its entirety:

Attachment I: General Conditions
Attachment II: Special Conditions, including the Conditions Precedent and Development Conditions
Attachment III: Description of Proposed Water and/or Wastewater Infrastructure
Attachment IV: Board Summary & Recommendation and Resolution (if necessary)
Attachment V: Developer Water and/or Wastewater Master Plan (if necessary)
Attachment VI: Engineering Study Including Description of the Tract
Attachment VII: Lift Station & Force Main Supplemental Agreement (if necessary)
Attachment VIII: Water Recycling and Conservation Plan (if necessary)
Attachment IX: Legal Description of the DRC Property (as defined in S.C. 12.0)

Any of the above attachments that are created and submitted by the Developer as an attachment to this USA shall be limited to providing relevant engineering, planning or managing information for the purposes of setting aside or reserving water and/or wastewater service capacity as specified in the body of this Agreement, the General Conditions and the Special Conditions. Developer agrees that it will not attempt to rely on, and SAWS does not authorize, any of the contents of any attachments created and submitted by the Developer as a basis for claiming rights under Chapter 245 of the Texas Local Government Code, except as specifically required by Section 1.02 of this USA.

Developer understands that this Agreement, including, its General Conditions, Special Conditions and Attachments, is subject to the Texas Public Information Act; and, therefore, agrees that it will not claim that any of the information contained herein is subject to any third party exception under that Act.

5.00 Developer’s Obligations.

The Developer acknowledges and agrees that the capacity provided by this Agreement runs with the land and shall be an appurtenance to the Tract. The Developer shall record this Agreement in the Real Property Records of the County in which the Tract is located within three (3) months of the Effective Date of this Agreement; otherwise, this Agreement will automatically terminate. Developer shall deliver to the Director of Infrastructure Planning a file stamped copy of this Agreement evidencing the recording required herein within three (3) months of the Effective date of this Agreement. The Developer shall maintain records of EDU’s remaining on the Tract pursuant to the approved Developer Master Plan. Developer shall provide SAWS with such records upon SAWS written request.
6.00 Indemnity.

TO THE EXTENT ALLOWED BY LAW AND TEXAS CONSTITUTION, THE DEVELOPER FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS SAW'S AND ITS SUCCESSOR AND ASSIGNS FROM THE CLAIMS OF THIRD PARTIES ARISING OUT OF SAW'S RECOGNITION OF THE TRANSFER OF CAPACITY UNDER THIS AGREEMENT TO DEVELOPER'S SUBSEQUENT PURCHASERS, SUCCESSORS AND ASSIGNS.

7.00 Notices.

Any notice, request, demand, report, certificate or other instrument which may be required or permitted to be furnished to or served upon the parties shall be deemed sufficiently given or furnished or served if in writing and deposited in the United States mail, registered or certified, return receipt requested, addressed to such party at the address set forth below:

IF TO SAN ANTONIO WATER SYSTEM:

SAN ANTONIO WATER SYSTEM
POST OFFICE BOX 2449
SAN ANTONIO, TEXAS 78298-2449
ATTN: TRACEY B. LEHMANN, P.E., DIRECTOR, DEVELOPMENT

IF TO DEVELOPER:

Bakke Development
3511 Broadway
San Antonio, TX 78209
Attn: Mr. Phil Bakke

8.00 Severability.

If for any reason any one or more paragraph of this Agreement are held legally invalid, such judgment shall not prejudice, affect impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall be confined to the specific sections, clauses, or paragraphs of this contract held legally invalid.

9.00 Venue and Governing Law.

Any disputes related to this Agreement must be brought within Bexar, County Texas and governed by the laws of the State Texas and local laws.

10.00 No Third Party Beneficiaries

The terms and obligations found in this Agreement are for the sole benefit of the Parties to this Agreement and shall not be construed to the benefit of or enforced by any third parties and shall not provide any third party with any remedy, claim, liability, reimbursement, cause of action or other rights. Any reliance by third parties related to this Agreement shall be at the sole risk, cost
and expense of such third parties, and SAWS shall have no duties, responsibilities, obligations or liabilities therefor.

11.00 Both Parties Drafted Agreement

The Parties have participated jointly in the negotiating and drafting of this Agreement. In the event that an ambiguity, whether in a question of intent, interpretation or otherwise, arises, then that ambiguity shall not be construed against either party solely on the account of authorship. The Parties waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement to the effect that ambiguous or conflicting terms or provisions should be construed against the party who (or whose counsel) prepared the executed Agreement or any earlier draft.

12.00 Acting Reasonably and in Good Faith; Discretion

Each party shall act reasonably and in good faith in the exercise of its rights hereunder, except where a party has the right to act in its “discretion” by the express terms hereof. When a party has “discretion”, it means that party has the sole, absolute and unfettered discretion, with no requirement to act reasonably or provide reasons unless specifically required under the provisions of this Agreement. When a party does not have “discretion” it means that the party shall act reasonably. A party may exercise any termination right hereunder in its discretion. SAWS’ discretion means it is in the sole discretion of the President/CEO of SAWS, unless otherwise required by the SAWS’ Board.

13.00 Effective Date.

The Effective Date of this Agreement shall be the date signed by the authorized representative of the San Antonio Water System.

14.00 Ownership and Certificate of Convenience and Necessity.

By signing this Agreement the Developer represents and warrants that (i) it is the owner of the Tract or has the authority of the Tract owner to develop the Tract, and (ii) that the Tract is not within the jurisdiction of a Certificate of Convenience and Necessity (“CCN”) for water service held by any person or entity, including, without limitation, the Kendall County WCID No. 3 (the “WCID”), nor has an application for a CCN for water service been made, or during the term will be made, by the WCID or any entity under common control or affiliated in any way with Developer. Any breach of the representations or warranty in this Section 14.00 shall make this Agreement voidable by SAWS. If the Developer does not own the Tract, then the Developer must provide documentation from the owner of the Tract to show that Developer has the proper authority to develop the Tract.
ACCEPTED AND AGREED TO IN ALL THINGS:

San Antonio Water System                                                  Developer
Signature: ______________________  Signature: ______________________
Print Name: Robert R. Puente                                              Print Name: ______________________
Title: President/Chief Executive Officer                                 Title: ______________________
Date: __________________________  Date: __________________________

ACKNOWLEDGEMENTS

STATE OF TEXAS, COUNTY OF BEXAR  §

BEFORE ME, the undersigned Notary Public, on this day personally appeared
____________________________ known to me to be the person whose name is subscribed to the
foregoing instrument and that he has executed the same as
________________________________ for the purposes and consideration therein expressed
and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of __________, 2018.

(seal) ________________________________________________
Notary Public

STATE OF TEXAS, COUNTY OF BEXAR  §

BEFORE ME, the undersigned Notary Public, on this day personally appeared
____________________________ known to me to be the person whose name is subscribed to the
foregoing instrument and that he has executed the same as
________________________________ for the purposes and consideration therein expressed
and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of __________, 2018.

(seal) ________________________________________________
Notary Public
GENERAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

G.C.1.00 Definitions.

G.C.1.01 Developer.

Owner of the tract, his subsequent purchasers, successors, and/or assigns.

G.C.1.02 Director of Infrastructure Planning.

The Director of Infrastructure Planning of the San Antonio Water System or his/her designated representative.

G.C. 1.03 Definition of Terms.

Unless defined in the Utility Service Agreement (the “Agreement”), the terms used in this General Conditions of the Utility Service Agreement (the “General Conditions”) shall have the same definitions and meaning as those set out in Chapter 2, Definitions, of the Utility Service Regulations (“USR”). In the event a term is specifically defined in the General Conditions, and the definition is in conflict with that found in the USR, and such conflict is acknowledged in the General Conditions, the definition set out in the General Conditions shall apply.

G.C.2.00 Required Submittals.

If determined to be necessary by the Director of Infrastructure Planning (“Director”), the Developer hereby agrees to submit the following documents prior to the execution of the Agreement: Developer Master Plan, Developer Utility Layout, Water Recycling and Conservation Plan, and Engineering Report. The Parties agree that such documents are included instruments to the Agreement. The submittal of such documents is a condition precedent to plat recordation and initiation of Services. Developer shall modify such documents as may be reasonably required by the Director. Such documents shall be updated as required by the Director and the USR.

G.C.3.00 Dedication to SAWS.

The Developer agrees to dedicate, grant, and convey to SAWS all rights, title and interest of Developer in both the Off-Site and On-Site utility infrastructure that the Developer is required to construct under the Special Conditions of the Utility Service Agreement (the “Special Conditions”), and to dedicate, grant, and convey to SAWS easements for such utility infrastructure. Upon written acceptance of Off-Site and On-Site utility infrastructure by SAWS, the infrastructure shall be owned, operated and maintained by SAWS.

G.C.4.00 Design and Construction Requirements.

The design and construction of all Off-Site and On-Site utility infrastructure shall, at a minimum, comply with the requirements established by SAWS, including the USR, the City of San Antonio, the County of Bexar, the State of Texas, and any agency thereof with jurisdiction, including but not limited to the Texas Commission on Environmental Quality and the Texas Department of Health. Off-Site and On-Site utility infrastructure shall be constructed under the inspection of SAWS. Provision of the Services to the Tract shall not commence until the Director has accepted and approved Off-Site and On-Site utility infrastructure in writing.

G.C.5.00 Joint Venture Agreements.

In the event the Developer enters into a Joint Venture Agreement covering the costs for supplying the Services to the Tract, the Developer shall send a copy of such agreement to the attention of the Director.

G.C.6.00 Assignment.

This Agreement may not be assigned in whole or in part; however, Developer may assign, convey or transfer EDU capacity (“EDU capacity transfer”) to buyers of portions of the Tract in accordance with the terms in G.C. 20.00.

General Conditions of USA
Preparer’s Initials _____
USA-18993 Biedenharn Tract
06/01/18, Page 1 of 4
G.C.7.00  Event of Foreclosure.

In the event Developer’s interest in the Tract described in Attachment VI are extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to SAWS that they are the successor in interest to the Tract as a result of such foreclosure, and that there are no lawsuits pending concerning the Tract, SAWS shall consider the foreclosing party a successor in interest if the foreclosing party executes a utility service agreement with SAWS after the Director determines that the execution of such an agreement will not be adverse to SAWS’ interest.

G.C.8.00  Payment for Provision of Utility Service.

In the event payment for the Services provided to a subdivision plat within the Tract is not billed by SAWS, the amount of the monthly fees for the provision of the Services will be those charged to the various customer classifications as set by City Ordinances, with the billing and collection thereof on behalf of SAWS, being the responsibility of the billing utility purveyor. To facilitate this arrangement, Developer is to insert into any utility agreement with whatever utility purveyor is to bill for utility services to a subdivision plat within the Tract, a provision requiring said purveyor to enter into a Contract with SAWS to bill and collect SAWS’ monthly utility services fees and transmit said fees to SAWS. The billing utility purveyor shall advise customers that delinquent non-payment of any of SAWS’ fees will result in interruption and/or termination of the Services provided by SAWS, in accordance with applicable interruption and termination policies and procedures, as amended. SAWS shall not be obligated to provide the Services to any plat within the Tract unless and until the utility purveyor has executed a contract with SAWS to provide for the billing and collection of the Services provided by SAWS.

G.C.9.00  Omitted.-.

G.C.10.00  Oversizing.

Developer must pay for all mains and other utility facilities needed to serve the Tract. SAWS may require the installation of oversized water mains and wastewater mains and related facilities. SAWS’ requirements for oversizing, if any, are set forth in the Special Conditions. SAWS will execute a trilateral contract with Developer and a contractor for the construction of oversized facilities. Contracts for the construction of oversized facilities must be competitively bid as required by law. SAWS will reimburse the Developer for the oversize construction cost differential upon completion of the approved facility installation and SAWS’ acceptance of such facility. SAWS will determine whether to provide such reimbursement in the form of a cash reimbursement or in credits to be applied to impact fees. All oversizing shall be done in accordance with the USR.

G.C.11.00  Off-Site /On-Site Facilities.

Developer shall construct and install all required Off-Site and On-Site utility infrastructure in accordance with the USR and Special Conditions, at no cost to SAWS. Any specific requirements related to the facilities are set forth in the Special Conditions.

G.C.12.00  Impact Fee Payment.

Developer agrees that the Agreement does not constitute an assessment of impact fees. Developer agrees to pay all applicable impact fees at the time and in the amount prescribed by ordinance or resolution of the City Council of the City of San Antonio and the USR, as amended. An estimate of the impact fees for the development Tract is provided in the Special Conditions. The estimate does not constitute an assessment of impact fees, and the amount of impact fees is subject to change by the City Council of the City of San Antonio as provided by law.

G.C.13.00  SAWS’ Obligation to Supply Service.

To the extent that the Conditions Precedent are satisfied and Developer complies with the Development Conditions, pays all applicable impact fees and complies with all Off-Site and On-Site utility infrastructure requirements, Developer shall be entitled to the permanent use and benefit of the Services and is entitled to receive immediate service from any existing facilities with actual capacity to serve the development for which impact fees were paid, subject to compliance with other valid regulations. If, after collecting the impact fees, there is no actual capacity in existing
facilities to provide the Services, SAWS will provide the Services within a reasonable period of time not to exceed five (5) years, as prescribed by Chapter 395 of the Local Government Code, as amended. In the event Services are required by Developer earlier than the five (5) year period, Developer and SAWS may agree that Developer may construct or finance the capital improvements or facility expansions required to provide Services, and the costs incurred or funds advanced will be credited against impact fees otherwise due from the new development or reimbursed to Developer from impact fees paid from other new developments that will use such capital improvements or facility expansions, which fees shall be collected and reimbursed to Developer at the time the other new development records it plat.

G.C.14.00 Facility Design and Construction.

The Developer shall design and construct all On-Site and Off-Site utility infrastructure described in the Special Conditions, including any oversizing, in accordance with the USR and all applicable local, state and federal requirements. Developer further recognizes that SAWS’ approval in all respects as to facility right-of-way adequacy, location, size, grade and invert elevation is a condition precedent to any further obligation of SAWS. Specific design and construction requirements are set forth in the Special Conditions.

G.C.15.00 Use of Capacity by SAWS.

Developer understands that capacity in Off-Site and On-Site utility infrastructure resulting from the Agreement for the Tract may be utilized by SAWS for other tracts requesting service from SAWS. SAWS shall keep accurate records of the capacity provided to the Tract under the Agreement, whether Set-Aside or Guaranteed Capacity, and in no event will Developer be denied capacity as a result of SAWS’ utilization of such capacity for another tract. Set-Aside capacity shall not survive the expiration of the Agreement.

G.C.16.00 Utility Master Plan Requirements.

The Developer will prepare a utility master plan, which details the water and/or wastewater systems for the Tract pursuant to the USR, as amended.

G.C.17.00 Phased Utility Master Plans.

If the Developer’s water and/or wastewater systems are to be installed in phases or units, the Developer shall submit overall utility master plans to SAWS for review and approval. The overall utility master plan(s) shall be submitted before the first construction phase is submitted for plat approval. The overall utility master plan(s) shall show the development phases or units including the sequence and a timetable for build-out. The Developer shall also provide SAWS with a digital version of the proposed recorded plat, as submitted for plat recordation in a format acceptable to SAWS, for each phase or unit of the development project.

G.C.18.00 Conformance of Plans to Utility Master Plan.

All water and wastewater system facilities to serve the Tract shall be designed and constructed in conformance with the approved utility master plan. Changes in the water and wastewater system design shall be resubmitted to SAWS for written approval.

G.C.19.00 Timing Requirements for Submission of Plans.

Developer shall have three (3) years from the Effective Date of the Agreement to complete and submit the required utility master plan and to start construction of the Off-Site and On-Site utility infrastructure described in the Special Conditions. Developer agrees that the Agreement for the provision of Services shall automatically expire if Developer has not submitted a utility master plan and started construction of required Off-Site and On-Site utility infrastructure within three (3) years of the Effective Date of the Agreement, and a new request for the Services must be submitted to SAWS, which SAWS will grant based on then existing policies and regulations. In the event Developer meets the above-mentioned requirements within the three (3) year period provided, the Agreement shall remain in effect for seven (7) years from the Effective Date. If Developer submits a revised Utility Master Plan in accordance with the
G.C. 20.00    EDU Transfers.

The transfer of EDU capacity outside the original boundaries of this Utility Service Agreement will not be allowed. The San Antonio Water System considers this Agreement to run with the land; however, EDU capacity transfers to subdivided tracts within the Tract of this Agreement are the responsibility of the Developer and approval of such transfers is not required by the San Antonio Water System. The Developer shall maintain an accounting of the EDU capacity that is used by the Developer and/or transferred after the effective date of this Agreement to portions of the Tract. If the Developer sells a portion of the Tract and transfers part of the EDU capacity contained in this Agreement, then that EDU capacity transfer must be included in the deed, bill of sale or instrument conveying the land and the Developer must require the buyer of the land who receives the allocated EDUs to record the instrument effectuating the transfer. Developer may file a Master Development Plan or an EDU Plan, prepared by an engineer, that shows specific EDU capacity allocations within the Tract and shall ensure that the Master Development Plan or EDU Plan is attached to this Agreement and properly recorded. SAWS will recognize the capacity allocations within the Master Development Plan or EDU Plan so long as those allocations are within the parameters of this Agreement. For properties that have areas of unplanned use, the demand will be calculated at four (4) EDUs per acre unless the engineering report specifies otherwise or there is not enough EDU capacity remaining for the Tract to allocate four (4) EDUs per acre.

In no event will the System be responsible to 3rd parties for providing water supply or wastewater discharge capacity beyond the total EDU capacity identified in this Agreement for the Tract. Developer expressly disclaims, releases and holds harmless SAWS from any liability, damages, costs or fees, and agrees to indemnify SAWS for any liability, including, costs and attorney’s fees, associated with any dispute related to the transfer of all or a portion of EDU capacity approved for the Tract in this Utility Services Agreement.

G.C. 21.00    Camp Bullis Awareness Zone.

In the event that the Tract is located within, or partially within, the Camp Bullis Awareness Zone, the Developer acknowledges that certain lighting regulations may apply within at least a 3-mile radius of Camp Bullis, commonly referred to as down-lighting or dark sky lighting, and Developer will comply with those regulations. Developer agrees to comply with any local, state or federal law, rule or regulation related to the protection of the environment or endangered species, including but not limited to, any site assessments or surveys and notice to the United States Fish & Wildlife when required by law, rule or regulation. Developer acknowledges that any required assessment, survey or notice shall be current or updated as may be required by law, rule or regulation.

G.C. 22.00    Written Project Information.

The project associated with this Utility Service Agreement is described in the forms submitted by the applicant including but not limited to 1) a cover sheet clearly stating “USA Request” and the project name; 2) the Engineering Report; and 3) a legal description, metes and bounds description, or Master Development Plan (MDP), subdivision plat, or similar document of the Tract.
SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

WATER SERVICE

S.C.1.00 Tract Location and Ultimate Demand.

Biedenharn Tract, a 374.86-acre tract outside the City of San Antonio limits, is located east of Reed Rd and Scenic Loop Rd, as shown in Attachment VI (the “Tract”). The tract is located over the Edwards Aquifer Contributing Zone and is located within the 5-mile Awareness Zone of Camp Bullis. The proposed Tract is located outside SAWS’ water CCN, outside SAWS’ wastewater CCN and does not require SAWS’ financial participation in the development of infrastructure through oversizing or impact fee credits, therefore, Board Action is required.

On March 27th of 2018, the San Antonio Water System executed a Utility Service Agreement for the Biedenharn Tract for 2,075 EDUs of potable water service. This Utility Service Agreement replaces and terminates that previous Utility Service Agreement for the Biedenharn Tract and thereby reduces the water supply available to this Tract through that USA by 2,075 EDUs.

The ultimate demand from the proposed development, on SAWS’ water infrastructure, shall not exceed 2,075 equivalent dwelling units (EDUs) of water supply.

S.C.2.00 Infrastructure Requirements.

Water Supply to the Tract will be from Pressure Zone (PZ 12). The flow capacity of a 24-inch main is required to supply water to the 374.86-acre Tract, in conformance with SAWS’ Utility Service Regulations (USR).

Phase I

The Developer shall construct approximately 6,300 LF of 24-inch approach main from the existing 24-inch main on Balcones Creek, to the Tract as shown in Attachment III. The Developer will then be required to install an isolation valve on the proposed 24-inch approach main to the specifications and location approved by SAWS. The Developer shall then construct approximately 5,500 LF of 16-inch border main from the proposed 24-inch approach main, along the Tract’s entire frontage bordering Corley Rd as shown in Attachment III. The Developer will be required to submit plans for a proposed facility with an elevated storage tank having a capacity of 1.5 MG.

The Developer will then be required to construct a booster station in accordance with SAWS USR to serve all connections above an elevation of 1,480 feet. This booster station shall be designed and sized to specifications determined by SAWS and is subject to SAWS approval and acceptance.

The Developer shall then construct a series of looped 12-inch and 8-inch mains throughout the Tract with no less than two connections to the proposed 16-inch border main along Corley Rd.

Upon completion of the required infrastructure, the Developer shall then be allowed to connect up to 200 EDUs to the proposed series of looped 8-inch and 12-inch mains throughout the Tract.

Special Conditions of USA  Preparer’s Initials _____
USA-18993 Biedenharn Tract
06/01/18, Page 1 of 8
**Phase II**

Before making any connections beyond 200 EDUs, the Developer will be required to complete Option 1, Option 2, or Option 3. Once one of these options is complete, the Developer will receive the remaining 1,875 additional EDUs of capacity as described below.

For all three options, the Developer shall construct approximately 9,700 LF of 16-inch approach main from the existing 24-inch main on Boerne Stage Rd, along Boerne Stage Rd, to the Tract. The Developer shall make two connections to the existing 12-inch main along Boerne Stage Rd as shown in Attachment III. The Developer will be required to install an isolation valve on the 16-inch approach main to the specifications and location approved by SAWS. The Developer will then be allowed to connect remaining services to the proposed series of looped 8-inch and 12-inch mains throughout the Tract.

**Option 1**

The Developer shall design and construct all infrastructure necessary to provide a redundant water supply with sufficient capacity to meet or exceed 2075 EDUs to ensure uninterrupted service to the tract as identified in S.C. 11.05 below in the Conditions Precedent.

The Developer shall construct the 1.5 MG elevated storage tank per the plans submitted at Phase I.

The WCID will work to facilitate an agreement between SAWS and GBRA for a water supply beyond 2037. As an alternative, after exhausting efforts to facilitate such agreement, in lieu of such direct agreement, the Developer shall provide SAWS with an assignment agreement to provide water service from the GBRA beyond 2037. The assignment agreement will be in a form and substance acceptable to SAWS in its discretion and will have water quality requirements consistent with those within the existing SAWS/GBRA Agreement.

**Option 2**

In the event that the EAA Act is modified or other legislation is passed to allow for the use of Edwards Aquifer water within Kendall County, or the Developer provides SAWS with another source of water acceptable to SAWS in its discretion to provide retail water service for a total of 2,075 EDUs, then the Developer may submit a plan for the design and construction of the infrastructure necessary to deliver the Edwards Aquifer or other water supply to the Tract in lieu of the foregoing option. This Edwards Aquifer or other water supply option must be legally authorized and finalized by September 1, 2021.

**Option 3**

The Developer shall construct approximately 40,000 LF of 60-inch main from the Salado Pump Station to the existing 42-inch main (Job No 86-3658) at the intersection of Camp Bullis Rd and Babcock Rd as shown in Attachment III. The Developer shall then be required to make all improvements to the Salado Pump Station to accommodate an additional 40 MGD of pumping.
capacity to provide an alternative supply other than Edwards Aquifer water to the Northwest area. This water is expected to be available by mid-2020.

Upon concurrence in writing by SAWS that the Edwards Aquifer or other water supply may be utilized to serve the Tract and completion of the required infrastructure, the Developer shall then connect remaining services to the proposed series of looped 8-inch and 12-inch mains throughout the Tract.

S.C. 3.00   SAWS Master Plan and Oversizing Requirements.
N/A

S.C.4.00   Impact Fee Credit Eligibility.
N/A

S.C.5.00   Engineering Study Report and/or Pro-Rata Refund Eligibility.
The engineering study report “Biedenharn Tract, Utility Service Agreement Engineering Report”, by Pape-Dawson Engineering, dated December 2017 is included as Attachment VI.

S.C.6.00   Developer On-Site and/or Off-Site Requirements.
The Developer shall acquire any right-of-way or easements, and install all On-Site and Off-Site utility infrastructure required to serve the Tract in accordance with SAWS’ USR, solely at the Developer’s cost, unless otherwise stated in S.C.3.00 or S.C.4.00. Other On-Site requirements within the Tract will be determined at such time as the engineer submits an overall Utility Master Plan, and any subsequent revisions, for the Tract.

S.C.7.00   Requirement to Install Approved Pressure Regulators and/or Booster Pumps.
A portion of the Tract is below ground elevation of 1425 feet where the static pressure will theoretically exceed 80 psi. Any service connections within the Tract, at elevations lower than this ground elevation, shall require the installation of a Pressure Reducing Valve (PRV), on the customer(s) side of the meter, rated for a maximum working pressure of no less than 300 psi, prior to a SAWS meter being installed. Installation shall be in conformance with the current Plumbing Code with Local Amendments adopted by the City of San Antonio.

S.C.8.00   Time for Water Impact Fee Assessment and Payment.
Water Impact Fees will be assessed at the rates in effect at the time of plat recordation or the latest date allowed by law. Impact fees will be collected at either the time of plat recordation or connection to the SAWS’ water system, at the discretion of the Developer.
S.C.9.00 Water Impact Fee Estimates Based Upon Current Charges.

Following is an estimate of impact fees for the provision of Services contemplated under the Agreement, which are based on current impact fee rates. This estimate shall not constitute an assessment of impact fees and impact fee rates are subject to change by the San Antonio City Council.

<table>
<thead>
<tr>
<th>Type of Impact Fee</th>
<th>EDUs</th>
<th>$/EDUs</th>
<th>Current Total</th>
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<tr>
<td>Flow Development</td>
<td>2075</td>
<td>$1,182</td>
<td>$2,452,650</td>
</tr>
<tr>
<td>System Development</td>
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<td>$883</td>
<td>$1,832,225</td>
</tr>
<tr>
<td>High</td>
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</tr>
<tr>
<td>Water Supply</td>
<td>2075</td>
<td>$2,796</td>
<td>$5,801,700</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$10,086,575</td>
</tr>
</tbody>
</table>

S.C.10.00 Pro-Rata Charge Requirement.

Developer shall be required to pay a Pro-Rata Charge pursuant to the USR, as amended, prior to connection to the SAWS water system if Developer is tying into a main that is subject to a pro-rata refund.

S.C. 11.00 Conditions Precedent

The following conditions set forth in S.C. 11.01, 11.02, 11.03, 11.04 and 11.05 below (the “Conditions Precedent”) must be satisfied in SAWS’ discretion as a condition precedent to performance by SAWS of any duties or obligations of SAWS under this Agreement, including providing any capacity or providing the Services under this Agreement. The Conditions Precedent must be satisfied within one hundred and eighty (180) days after the Effective Date of this Agreement, or such later date as may be approved in writing by SAWS in SAWS’ discretion, or this Agreement shall automatically terminate, and neither Party shall have any further rights, duties or obligations, and SAWS shall not be obligated to issue a new Utility Service Agreement to the Developer or for the benefit of the Tract. Upon request of either Party, SAWS and Developer agree to execute an acknowledgement of the satisfaction of, or failure to satisfy, the Conditions Precedent, in such form as may be acceptable to Developer and SAWS to be recorded in the Real Property records in the county in which this Agreement is recorded.

S.C. 11.01 Pursuant to the GBRA Agreement and the GBRA Prohibition, SAWS cannot currently provide the Services to the Tract, as all water delivered by GBRA to SAWS under the GBRA Agreement is currently required to be used exclusively within SAWS service area which is defined by a Certificate of Convenience and Necessity or within the certificated service area of a wholesale customer of SAWS. Further, all water delivered by GBRA to SAWS under the GBRA Agreement is required to be used within Bexar County, unless and except to the extent that SAWS obtains GBRA’s prior written approval for the use outside Bexar County. Therefore, this Agreement and SAWS’ obligations under this Agreement are expressly conditioned upon SAWS acquiring an amendment to the GBRA Agreement and/or written approval of GBRA for SAWS to provide the Services to this Tract, which amendment and/or consent shall be in such form and content as is acceptable to SAWS in its discretion. SAWS offers no opinion and makes no representation or
warranty as to whether it can satisfy this condition precedent, and shall have no express or implied duty or obligation to do so.

S.C. 11.02 The Developer shall provide SAWS with the original Declaration of Restrictive Covenants (as defined in S.C. 12.06 below), in such form and content as is acceptable to SAWS in its discretion, which has been file stamped and recorded in the Real Property Records of the county in which the Tract is located, all as more particularly described in S.C. 12.06 below.

S.C. 11.03 The Developer must provide SAWS with an agreement, in such form and content as is acceptable to SAWS in its discretion, from Kendall County WCID No. 3 stating that it shall not: 1) compete with SAWS or provide water services to the Tract; 2) apply for a CCN to provide water services to the Tract and 3) impose any duties, obligations or requirements on or affecting SAWS.

S.C. 11.04 The Developer and SAWS must enter into an agreement, in such form and content as is acceptable to SAWS and in its discretion, that requires the Developer to pay any and all fees, costs, expenses, fines or penalties of whatsoever nature incurred by SAWS to provide the Services in the event of or in any way related to the interruption, degradation or impairment of the water supply to the Tract.

S.C. 11.05 The Developer secures a redundant water supply from Kendall West Utility, LLC or another 3rd party water purveyor acceptable to SAWS in its discretion to ensure uninterrupted service to the tract until the resolution of the EAA issue. The Developer shall be responsible for all costs related to the design and construction of the infrastructure to connect to the redundant water supply. SAWS shall have the right to review and approve those plans to ensure the interconnection is sufficient to serve the Tract.

S.C. 12.00 Development Conditions

The following S.C. 12.01 through S.C. 12.05 are development conditions upon which Developer has agreed shall apply to all of the real property encumbered by the WCID (approximately 1,012 acres) as more particularly described in Attachment IX (the “DRC Property”) as a condition for SAWS to provide the Services under this Agreement (the “Development Conditions”).

S.C. 12.01 Drainage Pollution Prevention and Control

All acreage within the DRC Property shall be subject to Article VI Pollution Prevention and Control of the San Antonio City Code, found in Sections 34-912 to 34-959 as it applies drainage area in Section 34-914. In addition, Developer agrees that the DRC Property shall be subject to Section 34-930 Pollution Prevention Criteria in Category 2, specifically the impervious cover limits as outlined. These requirements may be administered by the SAWS Edwards Aquifer Protection water quality staff.

S.C. 12.02 Tree Preservation and Canopy Coverage
All construction and/or development on the DRC Property shall comply with all City of San Antonio Tree Preservation and Adequate Canopy Coverage requirements, as codified in Section 35-523 of the City of San Antonio Uniform Development Code.

S.C. 12.03 SAWS Construction Standards

All construction and/or development on the DRC Property shall comply with all SAWS construction standards, including, but not limited to, the Utility Service Regulations and Construction Specifications. All construction shall be subject to inspection and approval by SAWS staff.

S.C. 12.04 Dark Sky Requirements

All construction and/or development on the DRC Property shall comply with the City of San Antonio’s Dark Sky Ordinance, found in Section 35-339.04, entitled Military Lighting Overlay Districts.

S.C. 12.05 Drought Management Restrictions

The DRC Property shall comply with, be governed by and subject to the City of San Antonio’s Drought Management Plan and Ordinance City Code Chapter 34, Article IV, Divisions 1-4.

S.C. 12.06 Declaration of Restrictive Covenants and Enforcement of Development Conditions

The Developer shall, at its expense, cause to be recorded in the Real Property Records of the county in which the Tract is located, a Declaration of Restrictive Covenants (“DRC”) covering the entire DRC Property that includes the Development Conditions, and any such other provisions as may be reasonable and customary for an adequate description and enforcement of the DRC, in SAWS discretion. The DRC shall be in such form as is acceptable to SAWS, in SAWS discretion. The DRC shall run with the land in the DRC Property. The DRC shall contain language expressly granting to SAWS, the City of San Antonio and/or its designee, the right, should SAWS so elect, to enforce and or otherwise pursue to the extent provided at law or in equity, enforcement of the provisions of the DRC. SAWS’ and/or the City’s rights shall include the right to inspection, sampling and monitoring to assure any compliance. Any violation of or failure to comply with the DRC at any time shall constitute a material breach, and may result in the termination of this Agreement by written notice from SAWS in its discretion, including, the loss of any set-aside or guaranteed, existing capacity. For any violation of the DRC, the DRC shall include the right of SAWS to either impose a reasonable fine or fee on, or disconnect water services from, the resident property owner, or customer occupant, for any violation of the terms of the DRC, and SAWS shall have a lien against each property within the DRC Property to secure payment of any fines or fees levied by SAWS. In the event of such breach and termination, SAWS shall not be obligated to issue a new Utility Service Agreement to the Developer or for the benefit of this Tract.
Recordation of the DRC by the Developer shall be a Condition Precedent as set forth in S.C. 11.02 above.
SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

WASTEWATER SERVICE

S.C.1.00 Tract Location and Ultimate Demand.
Biedenharn Tract, a 374.86-acre tract outside the City of San Antonio limits, is located east of Reed Rd and Scenic Loop Rd, as shown in Attachment VI (the “Tract”) and lies within SAWS’ Upper Collection and Treatment Area (UCTA). The tract is located over the Edwards Aquifer Contributing Zone and is located within the 5-mile Awareness Zone of Camp Bullis. The proposed Tract is located outside SAWS’ water CCN, outside SAWS’ wastewater CCN and does not require SAWS’ financial participation in the development of infrastructure through oversizing or impact fee credits, therefore, Board Action is required.

The Developer is not requesting any sewer service from SAWS at this time. The Developer will be required to acquire sanitary sewer service through an authorized utility purveyor and provide documentation to SAWS prior to receiving any service from SAWS.
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Phase I
Approximately 6,300 LF of 24-inch approach main

Phase I
Approximately 5,500 LF of 16-inch border main

Phase II
Approximately 9,700 LF of 16-inch approach main

Phase II
Connection to existing 12-inch mains

Option 1
1.5 MG Elevated Tank
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Requires that the EAA Act is modified to allow for the use of Edwards Aquifer water within Kendall County

Phase I
Approximately 9,700 LF of 16-inch approach main

Phase II
Approximately 5,500 LF of 16-inch border main

Phase II
Connection to existing 12-inch mains

1,480 Foot Elevation

Option 2

Attachment III:
USA-18993
Biedenharn Tract
Proposed Water Infrastructure Map
374.86 Acres

Legend
- Existing Water Main
- USA Tract
- Parcels Update
- Proposed 16-inch Approach Main
- Proposed 24-Inch Approach Main
- Proposed 16-Inch Border Main
- 1,480 Foot Elevation
- Proposed Booster Station

San Antonio Water System

Project Location

SAWS UTILITY MAP DISCLAIMER
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Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Phase I
Approximately 6,300 LF of 24-inch approach main

Phase II
Approximately 9,700 LF of 16-inch approach main

Phase I
Approximately 5,500 LF of 16-inch border main

Phase II
Connection to existing 12-inch mains

Project Location

Option 3
Map 1

1,480 Foot Elevation

Biedenharn Tract
2075 Water EDUs
0 Sewer EDUs
374.86 Acres
USA-18993
Tract is Located:
- Partially Over the Edwards Aquifer Recharge Zone
- Partially Over the Edwards Aquifer Contributing Zone
- Partially within the 5-Mile JBSA Buffer Zone
- Partially within the 5-Mile Camp Bullis Awareness Zone

Option 3
Map 2

Phase II
Approximately 40,000 LF of 60-inch Main

Phase II
40MGD of Pump Station Improvements

Job No 86-3658

Salado Tank

Shields Tank

Project Location

Legend
- Existing Water Main
- USA Tract
- Parcels Update
- Proposed 60-Inch Main
- SAWS Facilities
- Camp Bullis

SAWS UTILITY MAP DISCLAIMER
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