AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
August 7, 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 June 5, 2018.


5. Public Comment.

SAN ANTONIO WATER SYSTEM
HANDICAPPED ACCESSIBILITY STATEMENT
The San Antonio Water System Buildings and Meeting Rooms are accessible to individuals with disabilities. Accessible visitor parking spaces as well as the accessible entrance and ramp are located at the west side main entrance of the SAWS Headquarters Building, Tower I, 2800 U.S. Highway 281 North. Individuals with disabilities in need of auxiliary aids and services, including Deaf interpreters, must request such aids and services forty-eight (48) hours prior to the meeting. For assistance, contact the Board Administrator at 210-233-3537 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 single source purchase from Olympus Technologies, Inc. to provide: tube-in-tube heat exchangers, Bid No. 18-18065, for a total of $255,020.00.

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

1. Acceptance of the bid of Teqsys, Inc. to provide: annual contract for NetBackup Enterprise Virtual Client Veritas Resiliency Platform, (DIR-TSO-3926), Bid No. 18-15068, for a total of $110,442.16.

2. Acceptance of the bid of Core & Main LP to provide: annual contract for meter & valve box components, Bid No. 18-0029, for a total of $864,730.60.

3. Acceptance of the bid of Techline Pipe to provide: annual contract for miscellaneous waterworks brass goods, Bid No. 18-0028, for a total of $934,463.35.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS,
EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

7. A Resolution approving Change Order No. 3 in an amount not to exceed $100,666.53 to the construction contract with Pesado Construction, Inc. in connection with the Highland Estates Montana Pass Floating Ground Storage Tank Project. (ANDREA BEYMER – TRACEY LEHMANN)
Water and Sewer Line Improvements

8. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving Change Order No. 10 in an amount not to exceed $549,999.98 to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with the C-12 Donaldson Terrace Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

9. A Resolution approving additional funds in an amount not to exceed $150,000.00 to the professional services contract with Construct-Ability, LLC in connection with the Construction Feasibility Review Services – Contract 1. (ANDREA BEYMER – MICHAEL MYERS)

Production, Transmission and Treatment Improvements

10. A Resolution awarding a construction contract to S.J. Louis Construction of Texas, Ltd. in an amount not to exceed $2,179,056.00 in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project. (ANDREA BEYMER – MICHAEL MYERS)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

11. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $494,735.34; authorizing expenditures in an amount not to exceed $439,141.84 to Bexar County in connection with the Borgfeld Road Phase II: Timberline to Blanco Road Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

EASEMENT AND REAL PROPERTY

12. A Resolution authorizing the expenditure of funds in the amount of $65,000.00 being the amount of the Special Commissioners Award in litigation between the San Antonio Water System and JFMKS Holdings, LLC for the acquisition of one temporary construction easement for the E-19 Seguin Road to Nacogdoches Road Segment 2 Project. (NANCY BELINSKY – BRUCE HABY)

13. A Resolution approving the acquisition of two permanent easements being approximately 1.469 acres in the aggregate, two temporary construction easements being approximately 1.274 acres in the aggregate, and a 0.092 acre access area right of entry from Dague Ranch Limited Partnership, said easements and access area being located near the northwest corner of Hardy Oak and Huebner Road, in the northeast quadrant of Bexar County, Texas, for the Central Water Integration Pipeline Project in an amount not to exceed $421,219.00. (NANCY BELINSKY – BRUCE HABY)
14. A Resolution awarding a service contract to Ace Pipe Cleaning, Inc. in an amount not to exceed $694,764.26 in connection with the Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek Water Recycling Center.  
(JEFF HABY – ANNETTE DURON)

15. A Resolution approving the 2018 Water Purchase Agreement with the Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Special Utility District, Green Valley Special Utility District, and the Springs Hill Water Supply Corporation.  
(DONOVAN BURTON – DARREN THOMPSON)

16. A Resolution authorizing the expenditure of funds in the amount of $500,000.00 to the Guadalupe Valley Electric Cooperative in connection with the design and construction of electrical power service for the Vista Ridge Regional Supply Project Intermediate Pump Station 2 Facilities. (DONOVAN BURTON – MARTY JONES)

17. A Resolution approving additional funds in an amount not to exceed $120,000.00 to the existing marketing agreement with the San Antonio Economic Development Foundation in connection with the identification and development of potential customers for the San Antonio Water System. (GAVINO RAMOS)

18. The Regular Session of the August 7, 2018, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed pursuant to Sections §551.071 and §551.074 of the Texas Open Meetings Act.

19. **EXECUTIVE SESSION.**

   A. Deliberation regarding the employment, evaluation and duties of the President/Chief Executive Officer and consultation with attorneys regarding any related legal matters pursuant to Texas Government Code §551.074 and §551.071.

   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 legal matters related to an Interlocal Agreement and Term Wholesale Water Service Contract with the Kendall County Water Control and Improvement District No. 3 for the provision of water services in Kendall County pursuant to §551.071, Texas Government Code.
D. Consultation with attorneys regarding legal matters related to the Design Build Services Agreement with Teal Construction Company for the Phase II Service Center Project pursuant to §551.071, Texas Government Code.

20. The Regular Session of the Regular Board Meeting of August 7, 2018, is hereby reconvened.

ITEMS FOR INDIVIDUAL CONSIDERATION

21. Deliberation and possible action regarding a Resolution approving an Interlocal Agreement and Term Wholesale Water Service Contract with the Kendall County Water Control and Improvement District No. 3. (DONOVAN BURTON – DARREN THOMPSON)

22. Deliberation and possible action regarding a Resolution related to 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. (NANCY BELINSKY – STEVE KOSUB)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

23. A Resolution awarding a construction contract to R.L. Jones LP in an amount not to exceed $1,036,362.00 in connection with the Masterson Road 24-Inch Water Main Extension Project; approving a contract between the System, R.L. Jones LP, and Lennar Homes of Texas Land and Construction, LTD for the project work; authorizing the expenditure of funds in the amount of $657,157.14 for the System’s proportionate share of the project work payable to R.L. Jones LP and the expenditure of funds in the amount of $65,715.71 for the System’s proportionate share of the engineering design fees payable to Lennar Homes of Texas Land and Construction, LTD. (ANDREA BEYMER – TRACEY LEHMANN)

Water and Sewer Line Improvements

24. A Resolution awarding a construction contract to R.L. Jones LP in an amount not to exceed $1,242,843.00 in connection with the Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide Project. (ANDREA BEYMER – MICHAEL MYERS)

25. A Resolution awarding a construction contract to D Guerra Construction, LLC in an amount not to exceed $3,450,980.08 in connection with the Vance Jackson – IH 10 to Loop 410 Project. (ANDREA BEYMER – MICHAEL MYERS)
REPLACEMENT AND ADJUSTMENT PROJECTS
Governmental Relocations and Replacements

26. A Resolution approving reimbursement to the City of San Antonio in an amount not to exceed $1,500,000.00 for professional engineering services in connection with the 2017 – 2022 Bond Program; authorizing the President/Chief Executive Officer or his duly appointed designee to execute a Memorandum of Understanding with the City of San Antonio for the project engineering work.
(ANDREA BEYMER – GAIL HAMRICK-PIGG)

MISCELLANEOUS ITEMS

27. A Resolution awarding a construction contract to Horizon Bros. Painting Corp. in an amount not to exceed $1,687,400.00 in connection with the Central Water Integration Pipeline Project – Maltsberger Ground Storage Tank Rehabilitation.
(ANDREA BEYMER – ALISSA LOCKETT)

28. A Resolution awarding a construction contract to Horizon Bros. Painting Corp. in an amount not to exceed $1,748,110.00 in connection with the Naco Ground Storage Tank Rehabilitation Project. (ANDREA BEYMER – TRACEY LEHMANN)

29. A Resolution approving a Feasibility Cost Sharing Agreement with the United States Department of the Army for the Mitchell Lake Aquatic Ecosystem Restoration Feasibility Study to be performed by the U.S. Army Corps of Engineers in which both parties will share costs equally and authorizing the System to commit to expending an amount not to exceed $1,500,000.00 as its share of the study costs.
(DONOVAN BURTON – SAM MILLS)

30. BRIEFING SESSION.

A. Briefing and deliberation regarding the Vista Ridge Project

B. Briefing and deliberation regarding Summer Water Use Trends

C. Briefing and deliberation regarding Quarterly Financial and Investment Reports

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

32. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF AUGUST 7, 2018, IS HEREBY ADJOURNED.
MINUTES

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

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

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on June 5, 2018, and called to order at 9:05 a.m. by Chairman Berto Guerra.

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

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of April 3, 2018.
Chairman Guerra asked if there were any corrections to the minutes. Hearing none, he stated the minutes were approved as presented.


Mike Brinkmann discussed SAWS participation at Texas AWWA. In 2018, Texas Water AWWA was hosted in San Antonio, and there were dozens of SAWS staff volunteers at the conference. SAWS also participated in three different competitions, Pipe Tapping, Meter Madness, and Hydrant Hysteria. These competitions were between the best of the best in the State of Texas. Staff represented the best in SAWS Operations and D&C area.

He introduced the individuals who competed at the conference and reviewed videos of the different competitions. The Men's Pipe Tapping Team placed third. Team members were Eric Lucio, Andrew Bratton, Eugene Mora, and Ernest Villarreal as coach. They only had one run with a time of 1:53, and were disqualified on the second run because the bit broke. The Women's Pipe Tapping Team placed second with a time of 2:16:84, but were off by one-half of a second. Team members were Yolanda Garcia, Rosa Castillo, Dorrena Guerra, and Nancy Carrizales as coach. Meter Madness participants included Leamon Anderson, the reigning champ Dennis Laskowski, and Juan Uriegas. Leamon Anderson placed second with a time of 44:28 and Dennis Laskowski placed third with a time of 49:28. SAWS had its first team to compete in Hydrant Hysteria, and the team placed second with a time of 1:44. Team members were Rueben Maldonado, Chris Arriaga, and Gibby Campos. He thanked the individuals for their team effort and for representing San Antonio and the organization.

Chairman Guerra congratulated the teams on behalf of the Board and the City.

5. Public Comment.

T.C. Calvert stated he represented the Fair Contracting Coalition (FCC). He thanked Mr. Puente and his team for meeting with the FCC on an extension project. He stated he was there to speak on behalf of the small minority-owned businesses in regards to Item 7, amendments to SAWS Utility Service Regulations. He discussed the issue for small minority-owned businesses when it came to impact fees. The City had waived fees for large corporations such as HEB and Toyota that provided jobs and a tax base to the community. He asked that the Board and the City make the same consideration for small minority-owned businesses.

Floyd Wilson thanked the Board for their consideration and Mr. Puente and his staff for meeting with them to talk about help for small businesses and the overall city.

Chairman Guerra asked Marilyn Washington if she wished to speak. Mr. Calvert replied no, and stated Ms. Washington was with the group supporting small businesses. R. Baca and Lucille Scott were also with the group and did not wish to speak.

Christian Abels stated he was general manager for IPL South Central, a privately-owned pipeline rehabilitation company. IPL had been a partner with SAWS for over eight years and performed in excess of 264,000 feet of rehabilitation for the City of San Antonio. He
commented on the recent decision to reject IPLs bid and award the project to another contractor. He met with staff on May 7. Instead of discussing the concerns of the bid, the meeting was more of an announcement that SAWS had decided IPL was an unqualified bidder. He stated there needed to be more clarity on these bids or the taxpayer would continue to pay more money. On the average, the City of San Antonio paid 32 percent more per line item than any other city in the State of Texas. Rehabilitation work could be improved and could drop substantially if everyone would work together. He stated this was IPLs formal protest against the decision made on May 7.

Chairman Guerra thanked each individual for being there for the Public Comment portion of the agenda.

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.
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.

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.

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.

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.

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.

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

A Resolution approving amendments to the San Antonio Water System Utility Service Regulations. (ANDREA BEYMER – TRACEY LEHMANN)

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

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)

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 6 – 17. Mr. McGee seconded the motion.

Consent Agenda Items 6 – 17, were unanimously approved. Verbal voting.

Chairman Guerra stated Item 29 was pulled and no action would be taken on the item.

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>
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<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>
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<td>Saddle Creek Real Estate, LLC</td>
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<td>200</td>
<td>197</td>
<td>COSA</td>
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<td>OVR</td>
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<td>Kenneth Ray Rothe</td>
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Total 213.64 1,082 1,079

Tracy Lehmann presented Item 18, the Utility Service Agreements (USA) for the River Rock Ranch Tract, Palo Alto Trails II Tract, and KB Home-Sulfur Springs Tract. The year-to-date
totals compared to the last three years were approximately 400 acres higher, water equivalent dwelling units (EDU) were about 8,700 less, and wastewater EDUs were approximately 3,500 less than the average.

The River Rock Ranch Tract was a 42 acre residential development located on the northwest side of San Antonio just off IH-10 and north of Boerne Stage Road. The developer was requesting 130 water and wastewater EDUs. The project was located inside the City of San Antonio's ETJ and within the water CCN, but was outside the wastewater CCN. The tract was over the recharge and contributing zone and within the five-mile radius of Camp Bullis. The project was an infill between two existing developments. He reviewed project maps and proposed infrastructure options for the tract. The developer would be required to provide a 12-inch water main on the north portion of the track, and there was a 15-inch sewer main along Boerne Stage Road that the developer would be able to connect to for sewage service. The tract was upstream of the Falcon Center Lift Station, which was at capacity. SAWS had the W31 project under construction to eliminate the Falcon Center Lift Station and add additional capacity to this area. The W31 project was scheduled to be completed in early 2019, and the developer would be able to connect the additional sewer EDUs at that time.

The Palo Alto Trails II Tract was a 40 acre residential development south of Loop 410 and west of Highway 16. The developer was requesting 200 water EDUs and 197 wastewater EDUs. The project was within the city limits and within the water and wastewater CCN. The tract was not over the recharge or contributing zones, but did fall within the five-mile radius of Lackland AFB and Port San Antonio. There was an oversizing requirement in this area to assist with future development along with the existing Texas A&M-San Antonio campus and expansion for future development. He reviewed project maps and proposed infrastructure options for the tract. The oversizing included a 16-inch water main, and the tract would connect to an existing 24-inch sewer main to the east of the property.

The KB Homes-Sulphur Springs Tract was a 131 acre residential development located east of Loop 410 and north of New Sulphur Springs. The developer was requesting 752 water and wastewater EDUs. The project was within the city limits and within the water CCN, but the majority of the project was outside of the existing wastewater CCN. The tract was not over the recharge zone or contributing zone, and was within the five-mile radius of Brooks City Base. He reviewed project maps and proposed infrastructure options for the tract. The developer would extend the water mains from the existing 16-inch water main off New Sulphur Springs and connect to existing infrastructure to create a loop. The developer would connect to SAWS existing sewer infrastructure for sewer service.

Staff recommended approval of the USAs for the River Rock Ranch Tract, Palo Alto Trails II Tract, and KB Home-Sulphur Springs Tract.

Ms. Jasso made a motion to approve Item 18. Ms. Merritt seconded the motion.

Mr. Parra asked how the KB Home-Sulphur Springs Tract would connect to existing sewer infrastructure. Mr. Lehmann replied there was a lift station serving the infrastructure to the southeast, and the developer wanted to avoid upgrading the lift station. The developer would do a portion of the flow towards the southeast and a portion to the infrastructure to the west.
After no further discussion, Item 18 was unanimously approved. Electronic voting.

Chairman Guerra recognized and welcomed City Council Member John Courage to the meeting.

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)**

Gail Hamrick-Pigg presented Item 19, a construction contract for the Eastern Sewershed Package IV Project. The project was part of the EPA Consent Decree and would address large diameter rehabilitation due to condition issues through cured in place pipe method. This contract was the fourth package in the eastern sewershed. There was a total of 29.7 miles of lines in the eastern sewershed that needed to be rehabilitated and 31 percent had been completed. Another 26 percent of the miles were under construction and this contract would add an additional 9 percent. There was 10 miles remaining to be compliant with the Consent Decree deadline, which was July 23, 2023.

The project was located in northeast San Antonio at Thousand Oaks near the Union Pacific Railroad, Tobin Park, John James Park, Fort Sam Houston, and Foliage Road near Ackerman Road. Five bids were received and the low responsible bid was SAK Construction, LLC, in the amount of $3,783,355.00. The design engineer was RPS Klotz & Associates. The low bid represented a 56.9 percent decrease from the engineer’s estimate. However, all the bids were close. Staff met with the low responsible bidder, and SAK Construction, LLC was confident in their bid. SAK Construction, LLC had done quality work for SAWS before and had completed that work on time.

Staff recommended the award of a construction contract to SAK Construction, LLC, and approval of funds in the amount of $3,783,355.00 for the Eastern Sewershed Package IV Project.

Ms. Jasso made a motion to approve Item 19. Ms. Merritt seconded the motion.

Ms. Jasso inquired about the difference from the estimate to the bid. Ms. Hamrick-Pigg replied there were actually two estimates, the engineer's opinion of probable costs and an estimate done in-house by HDRs SSO team that was $5.1 million. The engineer's estimate used unit prices from previous contracts that weren't reflective of the bids necessarily. Also, there had been a lot of competition with more contractors bidding to get better prices.

Ms. Beymer added that staff looked carefully at that cost, and discussed with SAK Construction, LLC to make sure they could do the job as bid. SAK Construction, LLC submitted a letter to ensure they could do the project at the price shown on the plans and specs.

Mr. Puente emphasized that this construction company was already nearby. All their equipment and construction yard was right there. This went into their consideration in giving...
a good price.

Ms. Merritt asked staff to elaborate on what was meant by due to condition. Ms. Hamrick-Pigg responded that under the Consent Decree, a condition assessment was done for the entire collection system. Closed-circuit TV cameras were used and there was a prescribed method of ranking the pipes based on cracks, missing pipe, and structural condition. The E condition pipes were the pipes in poor condition that needed to be rehabilitated.

Ms. Hardberger commented on the variability of cost for both the engineer's estimate and the extreme range of the actual bids. Her concerns were that it made it difficult for the Board to assess what the real cost was for the project and concerns about quality. She inquired about going back to redo an engineer’s estimate to get close to the number with correct pricing, and why there was a high level of variability with the bids. Ms. Hamrick-Pigg replied the engineering estimate not only used the unit cost but also assumed the most conservative construction. With cured in place pipe technology, multiple manhole to manhole segments could be done or it could be done as this contractor suggested with a way to do a single run. A single run would be useful because it would minimize disruption of the parks. This was one of the methods that the contractor described would be used to minimize the cost.

Ms. Hardberger asked if there was a process to review the costs of the project to make sure the number was right. Ms. Hamrick-Pigg responded the competitive bid was what was present at market at that time. Staff did not go back and redo the cost estimate, but did have an in-house estimate done independently to verify. Staff was not always able to anticipate the means and methods that the contractor may come up with to help reduce the price. In this case, there were a couple of the contractors that were able to come up with a lower price. There were no issues with SAK Construction, LLC; they had done quality work in the past.

Ms. Merritt asked for more information on the prior work done. Ms. Hamrick-Pigg replied the contractor was currently working on Eastern Sewershed Package III and the Page Park project. The contractor had also worked on three other packages with large diameter work.

Mayor Nirenberg discussed following up with the engineers because staff relied on them to help frame the target for the estimate, and staff would want to make sure that the engineer was not so far off the mark to get a properly-scoped project.

Mr. McGee suggested staff provide the Board an explanation of the estimate in detail.

Mr. Parra stated that as an engineer, he knew how difficult it was to write opinions for proposed construction costs. The opinion of proposed costs was done early on and there was a lot that could happen in the market. It was also difficult for smaller engineering firms to keep up a comprehensive database of prices. He asked what would happen if the contractor was not able to deliver on the price. Ms. Hamrick-Pigg replied that was why staff went through the step of meeting with the contractor and getting in writing that they could do the project for the bid price. Contractually, the contractor would have to perform the work for the bid price.

Ms. Beymer commented that cost estimating was already done in-house. A specialist in
terms of cost estimating and scheduling was hired about a year ago to do independent cost estimates for some of the larger projects before the bid went out on the street. This particular project, the in-house cost estimate was consistent with the engineer. Staff could not explain what happened with the market on this project, but this was something staff would continue to work on.

Ms. Hardberger commented on the quality of the project particularly as part of the EPA Consent Decree, and asked how staff would monitor the project to ensure the quality was met. Ms. Hamrick-Pigg replied staff would review all the estimates for a project and compare that to SAWS specifications. The contractor would outline what was required based on quality and staff would not approve something that did not meet SAWS specs. Mr. Puente added that there were daily inspections of the work site and daily reports to make sure that the materials and quality workmanship was done according to the specs.

Chairman Guerra stated the Board appreciated the fact staff went back to ask the right questions, when a low bid was received that's $5 million off of the estimate. He commented that we absolutely have to make sure there were not a bunch of change orders that would affect the low bid.

Ms. Jasso inquired about the role of the design engineer. Ms. Hamrick-Pigg responded that RPS Klotz & Associates was the engineer that provided the official engineer's estimate, and SAWS had an internal cost estimator that checked the cost estimates. For this contract, an estimate was also prepared by HDR’s SSO Program because of the concerns on the cost estimates. RPS Klotz & Associates provided an engineer's recommendation letter that outlined the differences between their estimate and the bidders. About 82 percent of the difference was in two of the bid items, the actual CIPP liner as well as bypass pumping.

Ms. Beymer added that RPS Klotz & Associates was the design engineer and did the estimates for this project. They had to do an independent cost estimate as part of the design package.

After no further discussion, Item 19 was unanimously approved. Electronic voting.

**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)

Ms. Hamrick-Pigg presented Item 20, an Advance Funding Agreement with TxDOT for the Loop 1604: US 281 to FM 1303 Project. The project would expand Loop 1604 from two lanes to four lanes and the overall project length was eight miles. The target date to start the project was this October and the target end date was January 2022. SAWS would joint bid with TxDOT. The overall TxDOT project cost was $34.8 million, and SAWS portion was $3.9 million of infrastructure that needed to be relocated and adjusted.
She discussed the project location in southeast Bexar County, between US Hwy 281 and FM 1303 along Loop 1604, and the proposed roadway profile. The existing SAWS water main and force main would need to be relocated so the mains were not under pavement. SAWS work would relocate approximately 6,000 feet of 6-inch through 16-inch water mains, 3,800 feet of 10-inch force main, and 760 feet of 12-inch gravity main.

Staff recommended the approval of an Advance Funding Agreement with TxDOT in the amount of $3,934,856.34 for SAWS portion of the project work for the Loop 1604: US 281 to FM 1303 Project.

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

After no further discussion, Item 20 was unanimously approved. Electronic voting.

Production, Transmission and Treatment Improvements

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)

Ms. Beymer presented Item 21, a construction contract for the Turtle Creek No. 3 Well Drilling Project. The Turtle Creek project was in the middle of the Medical Center, and in a very congested portion of IH-10 and Fredericksburg Road. SAWS was able to acquire almost 10 acres in 2011 to build the pump station. Turtle Creek No. 3 was surrounded by several other older facilities that were over 40 years old, such as Turtle Creek No. 2 and the Dreamhill Pump Station. Both stations were in need of rehabilitation and the decision was made to expand service and to provide for growth along the IH-10 corridor. The Master Plan included building a bigger station and abandoning the aged facilities. The facilities that would be abandoned once the station was built was the Dreamhill well just south of Babcock as well as Turtle Creek No. 2.

This was a multi-year project that actually started in 2016. A design engineer was brought on board. Last month, the Board awarded the project construction contract to relocate the sewer project. Staff was evaluating proposals from engineers to complete the design for the pump station and transmission main, and it was anticipated those contracts would come to the Board the third quarter with construction packages expected to come to the Board the fourth quarter of 2019. The total project cost for all phases was about $30 million, and was a big investment in facilities to serve the Medical Center.

She discussed the almost 10-acre tract in the Medical Center that was purchased in 2011 for about $1.5 million. There was one well and the request for Board consideration was the construction contract to drill two wells. Future items would be the high service pump station, electrical upgrades, disinfection system as well as a five million gallon tank with room for another five million gallon tank in the future. The project work would include drilling two Edwards Aquifer ground production wells, and testing the productivity of the wells to determine the size of equipment for the primary pump station and transmission main. A temporary cap would be placed on the wells until the rest of the infrastructure was built,
which would start in 2019 or early 2020.

She reviewed the bid results. The engineer's estimate was a little over $2 million. Two bids were received and were both relatively tight. The low bid came in from Weisinger Incorporated at $4,119,500.00, and was 100.56 percent increase from the engineer's estimate. Staff was concerned about the engineer's estimate, so an independent estimate was requested from WSP Global, formerly known as Parsons Brinckerhoff. The independent estimate was $3,773,370.00, which was less than 10 percent from the low bid from Weisinger Incorporated. Staff felt this was a good bid and wanted to move forward. Since there were concerns with the original engineer’s estimate, the remaining projects would move forward with a different engineer. These items would come to the Board the third quarter of this year. The construction duration was 180 days, and total SMWB participation for Weisinger's team was about 20 percent. Weisinger was a well-respected driller, and were currently drilling wells in Burleson County for the Vista Ridge Project.

Staff recommended the award of the construction contract to Weisinger Incorporated and approval of funds in the amount not to exceed $4,119,500.00 for the Turtle Creek No. 3 Well Drilling Project.

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

Ms. Hardberger stated she was more comfortable because the independent estimate was closer to the bids. She reiterated the request for information before the Board Meeting and stated it would be helpful to have that in advance of the meeting. Ms. Beymer confirmed and stated she would have that information moving forward.

Mr. Parra commented this was an example of how important the effort to already start building these inside SAWS cost estimating for comparison. He stated he felt more comfortable with the second one now that there were two costs.

Chairman Guerra asked if the engineer's estimate was SAWS engineering internally or the design consultant. Ms. Beymer replied it was the design consultant.

Mr. Puente commented that this was a good issue to have as a general briefing to the Board. He stated staff would work on a presentation for July or August.

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

**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)**

Sree Pulapaka presented Item 22, task order contracts for Information Technology Consulting and Technical Support Services. He provided an overview of the contracts through a list of qualified and experienced IT consulting and technical support service firms. These providers would be eligible to perform IT work on a task order basis. The plan was
to award several two-year contracts with two options to renew for one additional year. The total amount for all the contracts awarded for the full four years would not exceed $6 million. This would allow more flexibility as well as realize the efficiencies in obtaining IT resources. The contract work would cover six functional areas with several providers assigned to each area. The categories included enterprise databases, IT infrastructure, application development, information security services, networking, and custom applications and cloud platforms. Because of the number of different technologies and the way the technologies evolve so quickly, it was not practical to employ experts in all areas. The selected providers would be utilized to complete the various projects in different functional areas. The task order approach would allow a quick ramp up of project teams and then scale up and down as needed. This approach would provide the organization with higher quality and quicker service.

An RFQ was released on February 13. There was a tremendous response with about 100 additional questions from respondents. Responses were received by March 6, and there were about 33 uniquely qualified respondents across all the six functional areas. The respondents were evaluated on experience and qualifications, similar past projects and performance, implementation approach, and SMWVB participation. Staff selected three or four top firms for each aspect of the project for a total of 13 contracts. Seven of the 13 firms were local companies.

Staff recommended the award of two-year task order contracts to the 13 firms selected with an option to extend for two additional one-year terms, and approval of funds in an amount not to exceed $6 million for the entire four years for all 13 firms.

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

Mr. McGee inquired about cyber security with the many contractors working on the databases and network. Mr. Pulapaka responded that each project would actually go through a security design review, and task orders would have some mandatory security for each vendor.

Mr. McGee asked who would come up with the security items. Mr. Pulapaka replied SAWS had a cyber security architect and also contracts out with external companies to help draft those security guidelines.

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

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)

Mr. Clouse presented Item 23, a recommendation to City Council regarding a one-time fee for new customer to reserve permanent capacity in the Downtown Chilled Water System. He discussed the decision to build a heating and cooling facility during the downtown reconstruction that included the Tower of Americas during HemisFair in 1968. The
downtown chilled and steamed system was constructed on property owned by the City Water Board. SAWS ultimately wound up in the chilled water business because the facility was built on SAWS property. It was the first of its type in the U.S. that was under municipal control. The landscaping and fountains at the facility located between Market Street and Commerce Street, directly across from the new Convention Center construction, were recently revitalized.

He reviewed the background of the chilled water systems. There were two facilities in the downtown area and two facilities at the military bases. The downtown facilities were located at Market Street and Commerce Street and at Cherry Street on the southern end of the Alamodome parking lot. The Cherry Street facility was added to the system in 2000 concurrent with one of the Convention Center expansions. The downtown system has a total capacity of 20,380 tons. Between the Commerce Street facility and the Cherry Street facility there were nine chillers that were about 2,000 tons each. There were two specialty chillers called ice makers. The parking lot next to the downtown facility sat on top of two large underground tanks that made ice. The ice was made in the evenings so that when demand goes the highest during the hottest part of the day, the thermal energy off the ice was used to level off the demand on CPS Energy (CPSE) to operate the facility. Firm or total capacity was 15,190 tons, if maintenance happened and facilities were down. There was about 5.5 miles of pipeline that circulated the chilled water.

He discussed the performance and reliability of the system. The biggest threat to the operation of the system was a contractor with a backhoe. There were two events in the last eight years that SAWS was responsible for a service interruption. During the peak period, a large construction project in the street did not support the pipe well and the pipe failed. With the shutdown of the steam system in 2014, the technicians were received from about fifteen to seven. The budget of $4.7 million stayed relatively level over the last four years. The majority of the budget was the electrical expenses with everything else about $1.1 million. The downtown steam facility was the largest electrical meter in downtown San Antonio. There were 20 customers on the chilled water system today. About 71 percent of the capacity was between the Alamodome and the Convention Center, and the remaining capacity was with a few other hotels and businesses.

He discussed the importance of district energy from a resource efficiency perspective and from a low carbon perspective. Centralized chilling was the right way to go and was part of a green initiative. One of the greatest examples was Austin. Austin had a system less than 20 years old. When the Cherry Street facility went online in early 2000, Austin came down to visit and to learn from SAWS experiences. Since that time, Austin constructed and had three operational cooling districts with large centralized cooling operations and had another one planned. Austin had 69 customers and was double the size of SAWS operations. Since the Cherry Street facility went online, two facilities had been added, Hotel Contessa and the Grand Hyatt. SAWS was not aggressively marketing and looking for new customers to tie onto system, but this was something that could be done. Austin’s centralized cooling facility was managed by Austin Energy and was a key component of their downtown alliance program. One of the things that Austin Energy did was to look at new construction opportunities and reach out very early to entities that were considering construction in downtown Austin. In addition, Austin monitored the age and maintenance history of older systems that were due for an upgrade or replacement, and were aggressively reaching out to
the owners to encourage them to tie onto the system. Austin had a different fundamental approach for rates. SAWS had one price for rates; everybody paid basically the same unit price. Austin Energy had the flexibility to negotiate individually with each customers to try to encourage those entities to tie into the system.

In 2011, Energy Engineering Associates (EEA) was hired to look at the system and determine the system’s efficiency. EEA recommended that SAWS work to grow the system. The chilled water system had aged and some of the pipelines went back to the original 1968 vintage, but overall functioned very well. EEA did recommend to eliminate the steam business. The technology around steam had changed over the years, and it was actually more efficient for buildings to bring in their own generator for steam. The Board approved the elimination of the steam operation in November 2013, and staff completed the transition in 2014. EEA did say that the metering and billing system was inefficient. The Board approved an upgrade to that system in February 2017, and staff completed the upgrade later that year.

He discussed what was needed to make the system remain viable for the future. The bottom line was the system was not generating adequate revenues to cover the costs of the necessary capital improvements, and other parts of SAWS had been subsidizing funding for cooling for a few years. There were several options to increase funding availability or even to change the business model. There was interest in others operating the system. At least two of the next three options were needed to ensure the long-term viability of the system, which included new customers, additional rates, and additional fees. Staff looked at outsourcing the operation, and had discussions with CPSE. CPSE had some interest and was considering sending out a Request for Professional Support for a feasibility evaluation in taking over the system. SAWS had been approached by a couple of private firms in an unsolicited manner, and the firms were willing to buy and potentially operate the system into the future. If a private firm came on, the firm would be willing, first, to pay some portion of the debt. Staff briefed the City and prepared a Request for Information (RFI) to determine the level of private interest. If the RFI was successful, a Request For Competitive Sealed Proposals would be issued to seriously evaluate privatizing the system.

With the redevelopment of HemisFair Park, there was potential for several new customers to come onto the system. Probably the most relevant was a $200 million development, 14-story hotel with an eight-story office tower. The new development had about 1,200 tons of chilled demand. Staff met with this group several times, and the developer had not yet committed to connecting to the system.

Mary Bailey reviewed the financial condition of the Downtown Chilled Water System. The water and wastewater customers have basically been subsidizing the chilled water program for a number of years. In fact, the chilled system owed water and sewer about $5.5 million. In support of the City Bond Program, SAWS spent about $10 million to replace the Commerce Street chilled water lines to support the convention expansion. Approximately $30 million debt was outstanding, of which 40 percent was short-term and non-amortizing. The chilled water rates did not support the issuance of new debt, but did cover the operating of the existing debt. The unrestricted net position at the end of 2017 was a negative $8.3 million. The Downtown Chilled Water System required additional capital investments, and especially in the next five years in order to ensure reliable services. The projected investment was $10.8 million over the next five years. This was reflective of aging.
distribution lines down Alamo Street as well as replacing a number of older chillers at the
downtown plants. The monthly demand charge paid by all chilled water customers was
$18.40 per peak demand ton, which basically covered the operating cost of the system as
well as existing debt service. There was a pass-through charge for the electric cost to the
customer. However, there was basically no additional money left over to fund new capital
investments or build a renewal and replacement fund.

Staff proposed that the Board approve a recommendation to City Council to establish a
capacity reservation fee. The fee would be similar to an impact fee for new customer
connections to the water and wastewater system. The fee would be charged to any customer
that wanted new capacity or perhaps to expand existing capacity. The fee would help to
either reimburse SAWS for existing capacity or help fund additional expansion of the system.
The proposed fee was $912 per ton to reserve capacity, which was based on the cost of
putting in a new chiller. In 2014, a new chiller was put in and the City paid their pro rata
share because it was to help support the expanded Convention Center. Staff worked with the
City Public Utilities Office to review the calculation of the fee, and City Council would need
to approve the fee. If the Board approved the recommendation, the item would be scheduled
to go before City Council on June 14. The establishment of the capacity reservation fee
would not fully address the overall needs of the Downtown Chilled Water System. Staff
would continue to consider the options that included the potential outsourcing of the system,
marketing the chilled service to new customers, issuing the RFI to potentially privatization,
and all the while continuing to monitor the need for rate increases.

Staff recommended the Board approve the recommendation to City Council to establish the
capacity reservation fee for new or expanded Chilled Water Service in the downtown area
equal to $912 per ton for reserved capacity.

Mr. McGee made a motion to approve Item 23. Ms. Jasso seconded the motion.

Mr. McGee commented on the financial position of the business, and the inability to pass the
costs on to the 22 customers. Ms. Bailey added that the chilled water program did not have
a rate increase since 1999, other than the pass through cost of the utility.

Ms. Hardberger asked if the price increase would start to close the delta of the other million
plus customers covering the 22 customers on the chilled water system. Ms. Bailey responded
that in order to start closing that gap, the fee would be charged and new customers added to
the system. The projections were of bringing on 5,000 or 6,000 additional tons over the next
10 years as the Hemisphere area developed. SAWS needed to look at rates or look at
outsourcing the business to a private company.

Mr. Parra inquired about the decision to propose new one-time fees to new customers instead
of adjusting rates to all of the other customers. Ms. Bailey replied the fee was similar to an
impact fee. When development happened in San Antonio, the developer paid an impact fee
that was either reimbursed to SAWS customers for existing capacities or helped to pay for
the expansion of the system to serve additional customers in the future. This acknowledged
that existing customers paid for a system and the system currently had excess capacity. In
order for a new customer to tap into that excess capacity, the new customer had to pay the
one-time fee.
Mr. Parra inquired about the number of new customers needed to break even. Ms. Bailey stated that new customers with 5,000 to 6,000 additional tons would close that gap significantly, but it would not completely alleviate the need for a rate increase at some point in the future. If the impact fees to new customers were not received, it was likely that a rate increase would be fairly soon.

Mr. Parra inquired about the cost effectiveness for new customers. Ms. Bailey discussed a potential customer and their cost analysis. It appeared that it was at least a break even for the customer to do it themselves, and potentially more efficient to go with SAWS even with this fee. If the customer didn’t pay the fee, they would have to build their own chillers and operate the system, et cetera, et cetera. The information the potential customer had provided showed that SAWS cost would be at least comparable, if not better.

Mr. Clouse commented on the challenges associated with the options. Without the fees and without new customers, a rate increase would be something in the range of 20 percent. A rate increase would be effectively asking the City to raise rates on itself and that would be a difficult position for the City. If a private firm took over the operation, the firm would wind up paying a portion of the debt and wind up making a critical commitment to the existing customers to not raise rates for some period of time. There would need to be some sort of an agreement that the firm would be able to raise the rates to cover the cost of operation and to do exactly what Austin had done and have the ability to negotiate individually with new customers.

Mr. Puente stated that since 1999, SAWS had been unable to raise the rates because over 70 percent of the customers were one customer and that’s the City of San Antonio. He stated this was discussed with the Mayor and he understands the dilemma. The Mayor offered his assistance in not necessarily raising rates, but encouraging new development.

Ms. Jasso pointed out that 71 percent of the total demand was to the Alamodome and Convention Center. She stated there had to be a partnership that could be worked on.

Mayor Nirenberg stated there was a value for growing a sustainable chilled water system as seen in Austin. The next move in terms of gathering information, the RFI, was the right one. He stated he was yet to be convinced that it needed to be privatized, but would wait to see who had the most potential for developing the system. He suggested making it clear that the size of the system would matter when it came to making an affordable proposition with potential clients.

Mr. McGee commented that a commitment to reliable service was important for potential new customers. Ms. Bailey agreed and added to ensure the reliability, those capital investments had to be made.

Ms. Hardberger asked whether the Austin project was run by Austin Energy or Austin Utilities. Mr. Clouse replied it was the energy company.

Ms. Hardberger asked whether one provider was more appropriate than the other. Mr. Clouse responded the chilled water system was really an energy facility. Other than the facility was
built on City Water Board property at the time of HemisFair and it made sense at that time.

Ms. Hardberger asked if there was a comparison to CPSE operating as the energy provider compared to SAWS and the same for a privatized company, from a cost-saving perspective. Ms. Bailey replied that she did not know that CPSE would necessarily be able to run the system more efficiently, but they may be able to better market and negotiate depending on the type of user. CPSE had different rules because of the competitiveness of the energy business.

Chairman Guerra stated this was a matter that had been kicked down the road by not going to City Council for a rate increase. It was a hard question to ask but something that must be done. He agreed with the Mayor, he did not think it was time to sell it to someone else. Mr. Puente commented that part of that fix was studying the fee for new customers and doing the RFI, as the Mayor suggested. We have been speaking with CPSE, and they were doing their due diligence as to this issue.

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

24. BRIEFING SESSION.

A. Briefing and deliberation regarding the Vista Ridge Project

Mr. Puente highlighted Item 17 on the Consent Agenda that was an electrical agreement with Bluebonnet Electric for the Vista Ridge Project. He invited the Board to tour the terminus site, which was the delivery point for the water coming from Burleson County. The site was under active construction. A tour would take about half a day and would give the Board an opportunity to see the size of the tanks that were being built and some of the other construction.

B. Briefing and deliberation regarding recent debt transactions

Ms. Garcia provided a brief summary of the recent bond transaction. As required by City Ordinance, a written report of the details would follow within 60 days of bond closing. On April 26, SAWS priced $208,825,000 Junior Lien bonds in the capital market. Interest rates had been on the rise for the three weeks prior to the bond pricing. The benchmark 10-year Treasury increased 23 basis points between April 2 and April 20. Even with the recent rise in interest rates, rates the week of the pricing were still below historical averages with 30-year MMD being higher more than 83 percent of the time than the week of the April 20, and the 10-year MMD being higher more than 70 percent of the time. The week of the pricing, rates continued to increase earlier in the week. Bonds pricing between Monday and Wednesday struggled to get the orders and underwriters had to take bonds into their inventory. The treasury market was reacting to global news while the main market was reacting to increased supplies and increased dealer inventory. By Thursday, rates started to stabilize and SAWS was able to price on the daily rates that were trending lower, and the 10-year Treasury remained below the 3 percent.

She reviewed the two components to the bond transaction. A refunding of the Junior Lien 2008 and 2008A bonds had true interest cost of 3.44 percent and achieved a cash savings of
$7.9 million for a net present value savings of $2.9 million or 11.8 percent. The second component of the transaction was refunding outstanding commercial paper and provided bond proceeds to fund capital improvements program. The transaction had a true interest cost of 3.98 percent over a 30-year maturity. The underwriting syndicate of the transaction was JP Morgan as the senior manager, Mesirow Financial as the co-senior manager, and FTN Financial, Loop Capital Markets, and Ramirez as co-managers. The transaction offered approximately $209 million in bonds, and SAWS received over $1 billion in orders with some of the maturity being more than seven times oversubscribed. Due to the tremendous interest, the underwriters were able to lower yields by up to 7 basis points. Even with the lower yield, only $362 million of the billion dollar orders dropped off. Lowering the yields reduced the overall debt service to SAWS by $1.4 million over the life of the bonds and generated a net present value savings of $878,000.00.

The high interest in the SAWS bonds was due to the service nature of what SAWS provided, SAWS high credit rating, and the overall high rating by the management of SAWS. She discussed a graph showing a savings for the refunding of the Junior Lien 2008 and 2008A bonds over the previously issued debt. The average savings was approximately $377,000.00 a year through 2038. The second issue would close the week of June 14 and was a loan through the Texas Water Development Board, the Drinking Water State Revolving Fund Program to fund the Zarzamora Pump Station Improvement Project for $10.5 million. Under the Drinking Water State Revolving Fund, a subsidy was realized of 1.35 percent below market interest rates, final maturity was 30 years, and the overall interest rate for that loan was 1.8 percent.

Mr. McGee commented on the anxiety felt about rates going above three percent. He thanked staff for a great job, and the investment banks for giving great advice as well.

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

Mr. Parra commented on agenda items related to single source bids. He asked for staff to follow-up with the firms that did not participate to help the Board understand the firms’ reasons for not participating in the process.

Mr. McGee stated that as a follow-up to the discussion on the bid process, he requested staff provide to the Board an explanation for the bids that were 25 percent off from the original estimate prior to the meetings. He asked that staff request an explanation from the design engineer when the bids come in 25 percent from estimate. With respect to the two design engineers that were involved in the projects discussed earlier, he asked for a historical review of the quality of their work and estimates.

Chairman Guerra stated the Board would not hold an executive session. No discussions were held in executive session.

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.

Item 29 was pulled from the agenda and no action was taken on this item.

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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<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>CCN/WW EDUs</th>
<th>CoSA/CoSA ETJ</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>Biedenharn Tract</td>
<td>Bakke Development</td>
<td>374.86</td>
<td>2075</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>OUTSIDE</td>
</tr>
</tbody>
</table>

30. **Adjournment.** THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JUNE 5, 2018, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of June 5, 2018, adjourned at 11:15 a.m.

__________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________________
Patricia Merritt, Assistant 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  

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Contracts (SMWB)</th>
<th>Estimated Amount (SMWB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services</td>
<td>1</td>
<td>255,020.00</td>
</tr>
<tr>
<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements</td>
<td>3</td>
<td>1,909,636.11</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>$2,164,656.11</td>
</tr>
</tbody>
</table>

SMWB Purchasing Contracts (percentage)  
- This Board Meeting: 25.00%  
- Year-to-Date: 12.24%

SMWB Program Manager:  
- SMWB Purchasing Contracts: 5.10%  
- Year-to-Date: 6.21%

Approved:  
- Robert R. Puente  
President/Chief Executive Officer

Reviewed:  
- Marsil V. Robles  
SMWB Program Manager

Agenda Item No. 6  
Board Action Date: August 7, 2018
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 PROCU RE 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 Office; 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 7th day of August, 2018

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Patricia E. Merritt, Assistant 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></th>
<th><strong>VENDOR</strong></th>
<th><strong>DESCRIPTION</strong></th>
<th><strong>ITEM NO(s)</strong></th>
<th><strong>ESTIMATED TOTAL PURCHASES</strong></th>
<th><strong>REMARKS</strong></th>
</tr>
</thead>
</table>
| 1. | Olympus Technologies, Inc. | One Time Purchase of Tube-In-Tube Heat Exchangers  
Bid No. 18-18065 | All | $255,020.00 | This is a one time purchase and delivery of Tube-In-Tube Heat Exchangers for the Dos Rios Water Recycling Center. These items will be used at the treatment plant for heating of the digester sludge. |

**DIRECTOR Comments**

The bid was emailed to nine vendors and was posted on SAWS website and Onvia. Three bids were received, however, two bids were deemed to be non-responsive as they did not meet the technical specifications. Several manufacturers make heat exchangers specifically designed for wastewater sludge heating as required in our bid. However, the manufacturers' heat exchangers vary quite a bit in physical size, piping connection configurations for sludge and hot water, and hot water supply requirements. Because we are purchasing a replacement heat exchanger, on-site space limitations, the volume of sludge being heated, and available heating water produced from the existing hot water supply system at Dos Rios limited the number of manufacturers that could actually supply a replacement heat exchanger to fit our footprint without requiring extensive modifications to accommodate their product. Five years ago SAWS purchased two Olympus Technologies, Inc. heat exchangers and they have proven to be extremely reliable. Recommend Award.

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

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Teqsys, Inc. (WBE)</td>
<td>Annual Contract for Netbackup Enterprise Virtual Client Veritas Resiliency Platform (DIR-TSO-3926)</td>
<td>All</td>
<td>$110,442.16</td>
<td>This is a new contract. System has over 100 Terabytes (over 100,000 Gigabytes) of data that gets backed up on a regular basis. These backups are performed by four (4) NetBackup appliances. Two are located here at HQ and other two reside at our Business Continuity location known as Echo. This contract restructures the existing licenses to Veritas's new licensing model and for the maintenance of the software. This contract will be effective August 30, 2018 through August 29, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of four (4) additional one-year options to extend as provided for, and approved for in future years budget.</td>
</tr>
<tr>
<td>2. Core &amp; Main LP</td>
<td>Annual Contract for Meter &amp; Valve Box Components</td>
<td>All</td>
<td>$864,730.60</td>
<td>This is a new contract. This contract will be utilized by System for the purchase of Meter &amp; Valve Box components for the warehouse inventory on an as needed basis. These items will be used by the Distribution &amp; Collection crew when repairing, replacing or installing meter services to the system customer. This contract will be effective October 1, 2018 through September 3, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of four (4) additional one-year options to extend as provided for, and approved for in future years budget.</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(e).</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Techline Pipe</td>
<td>Annual Contract for Miscellaneous Waterworks Brass Goods Bid No. 18-0028</td>
<td>All</td>
<td>$ 934,463.35</td>
<td>This is a new contract. This contract will be utilized by SAWS Warehouse for the purchase of Miscellaneous Waterworks Brass Goods on an as needed basis to be used by maintenance crews for water line repairs. This contract will be effective October 1, 2018 through September 30, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of four (4) additional one-year options to extend as provided for, and approved for in future years budget.</td>
</tr>
</tbody>
</table>

$ 1,909,636.11

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.
# SAN ANTONIO WATER SYSTEM

**PO Box 2449**  
**SAN ANTONIO, TEXAS 78298-2449**  

## TABULATION OF BIDS

**PROPOSAL**: Purchase of Tube-In-Tube Heat Exchangers  
**DATE**: 3:00 p.m., May 30, 2018

<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>Left-Sided Tube-In-Tube Heat Exchanger, including flexible and reducing joints, anchors, testing and delivery</td>
<td>UNIT 64,400.00</td>
<td>TOTAL 64,400.00</td>
</tr>
<tr>
<td>2</td>
<td>Right-Sided Tube-In-Tube Heat Exchanger, including flexible and reducing joints, anchors, testing and delivery</td>
<td>UNIT 64,400.00</td>
<td>TOTAL 128,800.00</td>
</tr>
<tr>
<td>3</td>
<td>Self-Actuated Temperature Regulator Valve</td>
<td>UNIT 6,750.00</td>
<td>TOTAL 20,250.00</td>
</tr>
<tr>
<td>4</td>
<td>Pressure Gauges, including Diaphragm Seals</td>
<td>UNIT 1,275.00</td>
<td>TOTAL 22,950.00</td>
</tr>
<tr>
<td>5</td>
<td>Temperature Gauges</td>
<td>UNIT 465.00</td>
<td>TOTAL 8,370.00</td>
</tr>
<tr>
<td>6</td>
<td>Spare Parts</td>
<td>UNIT 10,250.00</td>
<td>TOTAL 10,250.00</td>
</tr>
<tr>
<td>7</td>
<td>Manufacturer's Warranty (3 years)</td>
<td>UNIT No Charge</td>
<td>TOTAL No Charge</td>
</tr>
</tbody>
</table>

**TOTAL**  
**TOTAL 255,020.00**

**BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:**  
Claro, Inc.  
Ecologix Environmental Sys.  
EnviroSep  
Hartwell Environmental Corp.  
Komax Systems, Inc.  
Olympus Technologies  
Opti Temp  
Ovivo Customer Care Center  
Walker Process Equipment

*LOW BIDDER*
BID NO. 18-18065  
CONTRACT FOR PURCHASE OF TUBE-IN-TUBE HEAT EXCHANGERS  
SINGLE SOURCE

Bid No. 18-18065 solicited bids for the purchase of three tube-in-tube heat exchangers for the System Treatment plant. The heat exchangers at Dos Rios are used to heat the digester sludge. Heating the sludge helps increase volatile solids reduction and aids in gas productions which helps meet contractual demands to Ameresco. There are four sets of three heat exchangers with each set of three serving two digesters. The heat exchangers are located between digesters 1/3, 2/4, 5/7, and 6/8 and digester 10 is served by a single heat exchanger.

Olympus Technologies, Inc. (OTI) is the single responsible bidder for the Tube-In-Tube Heat Exchangers. The bids were e-mailed to 9 different vendors directly. Bidder email notifications were also issued to an additional 74 registered vendors. A total of 3 bid submittals were received. Two of the bidder were rejected because they did not meet the technical specifications.

As noted above, the heat exchangers play a vital role in the sludge treatment process and must be kept operational. The original equipment heat exchangers have return elbows that are made of cast iron that are held in place with compression via eight bolts each. This method of retention has proven to be prone to leakage and difficult to work on. By utilizing the OTI brand of heat exchanger, this weak point will be eliminated. The OTI heat exchangers utilize full diameter return elbows (yet another advantage over the original equipment) and couplings (similar to a hose clamp) to keep them in place. The couplings create a better seal, use fewer bolts, and are easier to work on. Two of the original equipment heat exchangers were replaced with OTI’s heat exchangers five years ago and have proven extremely reliable, as they haven’t required any maintenance thus far.

<table>
<thead>
<tr>
<th>Description</th>
<th>UM</th>
<th>Qty.</th>
<th>Unit Price</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left-Sided Tube-in-Tube Heat Exchanger, including flexible and reducing</td>
<td>EA</td>
<td>1</td>
<td>$64,400.00</td>
<td>$64,400.00</td>
</tr>
<tr>
<td>joints, anchors, testing and delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Right-Sided Tube-in-Tube Heat Exchanger, including flexible and reducing</td>
<td>EA</td>
<td>2</td>
<td>$64,400.00</td>
<td>$128,800.00</td>
</tr>
<tr>
<td>joints, anchors, testing and delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-actuated Temperature Regulator Valve</td>
<td>EA</td>
<td>3</td>
<td>$6,750.00</td>
<td>$20,250.00</td>
</tr>
<tr>
<td>Pressure Gauges, including Diaphragm Seals</td>
<td>EA</td>
<td>18</td>
<td>$1,275.00</td>
<td>$22,950.00</td>
</tr>
<tr>
<td>Temperature Gauges</td>
<td>EA</td>
<td>18</td>
<td>$465.00</td>
<td>$8,370.00</td>
</tr>
<tr>
<td>Spare Parts</td>
<td>LS</td>
<td>1</td>
<td>$10,250.00</td>
<td>$10,250.00</td>
</tr>
<tr>
<td>Manufacturer’s Warranty (3 years)</td>
<td>LS</td>
<td>3</td>
<td>No Charge</td>
<td>No Charge</td>
</tr>
</tbody>
</table>

**TOTAL**  
$255,020.00

The award amount is $255,020.00
# SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**PROJECT:** Netbackup Enterprise Virtual Client Veritas Resiliency Platform  
**FOR:** (August 30, 2018 through August 29, 2019)  
**DATE:** 3:00 p.m., June 25, 2018  

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>PRICE</th>
<th>UNIT PRICE</th>
<th>TOT. PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Term: 08/30/2018 - 08/29/2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64 ea. NETBACKUP ENTERPRISE VIRTUAL CLIENT (NEVC) + VERITAS RESILIENCY PLATFORM (VRP)</td>
<td>UNIT</td>
<td>358.89</td>
<td>1,465.33</td>
<td>1,483.01</td>
</tr>
<tr>
<td>NETBACKUP ENTERPRISE VIRTUAL CLIENT WLS CPU HARDWARE TIER 4 ONPREMISE STANDARD LICENSE + ESSENTIAL MAINTENANCE BUNDLE</td>
<td>INITIAL 12 MO GOV, Part No. 18038-M0010</td>
<td>TOTAL</td>
<td>22,968.96</td>
<td>93,781.12</td>
</tr>
<tr>
<td>100 ea. RESILIENCY PLATFORM COMPUTE XPLAT 1 VM ONPREMISE STANDARD SUBSCRIPTION + ESSENTIAL MAINTENANCE LICENSE INITIAL 12 MO GOV, Part No. 17053-M0010</td>
<td>UNIT</td>
<td>51.28</td>
<td>209.93</td>
<td>212.20</td>
</tr>
<tr>
<td>100,500 ea. RESILIENCY PLATFORM DATA MOVER XPLAT 1 GB ONPREMISE STANDARD SUBSCRIPTION + ESSENTIAL MAINTENANCE LICENSE INITIAL 12 MO GOV Part No. 17068-M0010</td>
<td>UNIT</td>
<td>0.07</td>
<td>0.28</td>
<td>0.29</td>
</tr>
<tr>
<td>474 ea. VERITAS SERVICE UNITS 12 MONTH SERVICE CREDIT GOV Part No. 20747-M3</td>
<td>UNIT</td>
<td>107.30</td>
<td>94.12</td>
<td>95.00</td>
</tr>
<tr>
<td>15 ea. RENEWAL FOR ISTB NETBACKUP PLATFORM BASE CAPACITY LICENSE ESSENTIAL 12 MONTHS RENEWAL FOR NETBACKUP PLATFORM BASE COMPLETE ED XPLAT 1 FRONT END TB ONPREMISE STANDARD PERPETUAL LICENSE QTY 11 to 50 GOV Part No. 10915-M0399-20</td>
<td>UNIT</td>
<td>1,630.00</td>
<td>1,885.73</td>
<td>2,163.15</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>50,860.20</td>
<td>44,612.88</td>
<td>45,030.00</td>
</tr>
<tr>
<td>Extension Option 1: 08/30/2019 - 08/29/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64 ea. NETBACKUP ENTERPRISE VIRTUAL CLIENT (NEVC) + VERITAS RESILIENCY PLATFORM (VRP)</td>
<td>UNIT</td>
<td>367.35</td>
<td>1,443.51</td>
<td>1,482.01</td>
</tr>
<tr>
<td>NETBACKUP ENTERPRISE VIRTUAL CLIENT WLS CPU HARDWARE TIER 4 ONPREMISE STANDARD LICENSE + ESSENTIAL MAINTENANCE BUNDLE</td>
<td>INITIAL 12 MO GOV, Part No. 18038-M0010</td>
<td>TOTAL</td>
<td>23,510.40</td>
<td>92,384.64</td>
</tr>
<tr>
<td>100 ea. RESILIENCY PLATFORM COMPUTE XPLAT 1 VM ONPREMISE STANDARD SUBSCRIPTION + ESSENTIAL MAINTENANCE LICENSE INITIAL 12 MO GOV, Part No. 17053-M0010</td>
<td>UNIT</td>
<td>107.64</td>
<td>206.80</td>
<td>212.20</td>
</tr>
<tr>
<td>100,500 ea. RESILIENCY PLATFORM DATA MOVER XPLAT 1 GB ONPREMISE STANDARD SUBSCRIPTION + ESSENTIAL MAINTENANCE LICENSE INITIAL 12 MO GOV Part No. 17068-M0010</td>
<td>UNIT</td>
<td>0.13</td>
<td>0.27</td>
<td>0.29</td>
</tr>
<tr>
<td>15 ea. RENEWAL FOR ISTB NETBACKUP PLATFORM BASE CAPACITY LICENSE ESSENTIAL 12 MONTHS RENEWAL FOR NETBACKUP PLATFORM BASE COMPLETE ED XPLAT 1 FRONT END TB ONPREMISE STANDARD PERPETUAL LICENSE QTY 11 to 50 GOV Part No. 10915-M0399-20</td>
<td>UNIT</td>
<td>1,630.00</td>
<td>1,895.95</td>
<td>2,163.15</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>24,450.00</td>
<td>28,439.25</td>
<td>32,447.25</td>
</tr>
<tr>
<td>Extension Option 2: 08/30/2020 - 08/29/2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64 ea. NETBACKUP ENTERPRISE VIRTUAL CLIENT (NEVC) + VERITAS RESILIENCY PLATFORM (VRP)</td>
<td>UNIT</td>
<td>450.86</td>
<td>1,470.96</td>
<td>1,482.01</td>
</tr>
<tr>
<td>NETBACKUP ENTERPRISE VIRTUAL CLIENT WLS CPU HARDWARE TIER 4 ONPREMISE STANDARD LICENSE + ESSENTIAL MAINTENANCE BUNDLE</td>
<td>INITIAL 12 MO GOV, Part No. 18038-M0010</td>
<td>TOTAL</td>
<td>28,855.04</td>
<td>94,141.44</td>
</tr>
<tr>
<td>100 ea. RESILIENCY PLATFORM COMPUTE XPLAT 1 VM ONPREMISE STANDARD SUBSCRIPTION + ESSENTIAL MAINTENANCE LICENSE INITIAL 12 MO GOV, Part No. 17053-M0010</td>
<td>UNIT</td>
<td>119.65</td>
<td>210.74</td>
<td>212.20</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>11,965.00</td>
<td>21,074.00</td>
<td>21,220.00</td>
</tr>
</tbody>
</table>

**TOTAL** | | 110,442.16 | 215,812.95 | 222,690.89 | NO BID |
# SAN ANTONIO WATER SYSTEM
## P. O. BOX 2449
## SAN ANTONIO, TEXAS 78298-2449
### TABULATION OF BIDS

**PROPOSAL FOR**
Netbackup Enterprise Virtual Client Veritas Resiliency Platform

**DATE**
(August 30, 2018 through August 29, 2019)

**TIME:**
3:00 p.m., June 26, 2016

**EVALUATION:**
DESCRIPTION AND APPROVAL QUALITY

---

### 100,500 ea.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Unit</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resiliency Platform Data Mover XPLAT 1</strong></td>
<td>GB</td>
<td>0.14</td>
<td>14,070.00</td>
</tr>
<tr>
<td><strong>Essential Maintenance License Initial 12 Mo Gov</strong></td>
<td></td>
<td>0.29</td>
<td>29,145.00</td>
</tr>
<tr>
<td><strong>Part No. 17066-M3010</strong></td>
<td></td>
<td>0.29</td>
<td>29,145.00</td>
</tr>
</tbody>
</table>

### 15 ea.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Unit</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewal For 15TB NetBackup Platform Base Capacity License</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Essential 12 Months Renewal For NetBackup Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Base Complete ED XPLAT 1 Front End TB OnPremise Standard Perpetual License Qty 11 to 50 Gov</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part No. 10915-M0399-20</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL

<table>
<thead>
<tr>
<th>Total</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80,690.04</td>
<td>173,047.79</td>
</tr>
<tr>
<td></td>
<td></td>
<td>177,660.89</td>
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**Extension Option 3:**
08/30/2021 - 08/29/2022

**64 ea.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Unit</th>
<th>Price</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>NetBackup Enterprise Virtual Client (NEVC) + Veritas Resiliency Platform (VRP)</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>NetBackup Enterprise Virtual Client WLS</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>CPU Hardware Tier 4 OnPremise Standard License + Essential Maintenance Bundle</strong></td>
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<tr>
<td><strong>Initial 12 Mo Gov</strong>, Part No. 18038-M0010</td>
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### 100 ea.

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<tr>
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<td>GB</td>
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<td>17,085.00</td>
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<tr>
<td><strong>Essential Maintenance License Initial 12 Mo Gov</strong></td>
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<td><strong>Part No. 17068-M3010</strong></td>
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<td><strong>Renewal For 15TB NetBackup Platform Base Capacity License</strong></td>
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<tr>
<td><strong>Essential 12 Months Renewal For NetBackup Platform</strong></td>
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<tr>
<td><strong>Base Complete ED XPLAT 1 Front End TB OnPremise Standard Perpetual License Qty 11 to 50 Gov</strong></td>
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### TOTAL

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**Extension Option 4:**
08/30/2022 - 08/29/2023

**64 ea.

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<tbody>
<tr>
<td><strong>NetBackup Enterprise Virtual Client (NEVC) + Veritas Resiliency Platform (VRP)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>NetBackup Enterprise Virtual Client WLS</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>CPU Hardware Tier 4 OnPremise Standard License + Essential Maintenance Bundle</strong></td>
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<tr>
<td><strong>Initial 12 Mo Gov</strong>, Part No. 18038-M0010</td>
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### 100 ea.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Unit</th>
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<th>Total</th>
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<tbody>
<tr>
<td><strong>Resiliency Platform Compute XPLAT 1 VM</strong></td>
<td>GB</td>
<td>0.18</td>
<td>18,090.00</td>
</tr>
<tr>
<td><strong>Essential Maintenance License Initial 12 Mo Gov</strong></td>
<td></td>
<td>0.29</td>
<td>29,145.00</td>
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<tr>
<td><strong>Part No. 17068-M3010</strong></td>
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### TOTAL

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<td>177,978.46</td>
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**Terms:**
30 days

**Delivery Days:**
3 days

*LOW BIDDER

---

**NO BID**
Solid IT Networks
16507 Hedgerow, Ste. 100
Houston, TX 77090
SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  
TABULATION OF BIDS

PROPOSAL FOR:  
Netbackup Enterprise Virtual Client Veritas Resiliency Platform

(August 30, 2018 through August 29, 2019)

DATE:  
3:00 p.m., June 25, 2018

ITEM NO.  
BLACKFORD AND APPROXIMATE QUANTITY

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

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<th>Name</th>
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<tbody>
<tr>
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<tr>
<td>Agilet Solutions</td>
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<tr>
<td>Assurance Data</td>
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<tr>
<td>Bluesource</td>
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<tr>
<td>CDW</td>
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<tr>
<td>Centre Technologies</td>
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<tr>
<td>Complete Tablet</td>
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</tr>
<tr>
<td>Connection</td>
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<tr>
<td>Critical Start</td>
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<tr>
<td>Diesys Solution</td>
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<tr>
<td>Emergent</td>
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<tr>
<td>Flexit</td>
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<td>Interworks</td>
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<td>Layer 3</td>
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<td>Mobius Partners</td>
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<td>Netsync</td>
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<td>FCPC Direct</td>
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</tr>
<tr>
<td>Solid IT Networks</td>
<td>This product not on contract</td>
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<tr>
<td>Teqsys</td>
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</tr>
<tr>
<td>vCloud Tech</td>
<td></td>
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</table>
# SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**

SAN ANTONIO, TEXAS 78298-2449

## TABULATION OF BIDS

<table>
<thead>
<tr>
<th>Proposals</th>
<th>Meter &amp; Valve Box Components</th>
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<tbody>
<tr>
<td></td>
<td>(October 1, 2018 through September 30, 2019)</td>
</tr>
<tr>
<td>Time</td>
<td>3:00 p.m., June 20, 2018</td>
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</tbody>
</table>

### Group 1: RECTANGULAR METER BOXES AND TRAFFIC BEARING STEEL LIBS

<table>
<thead>
<tr>
<th>Unit</th>
<th>Description</th>
<th>Unit Price</th>
<th>Total Price</th>
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</thead>
<tbody>
<tr>
<td>400 ea.</td>
<td>No. 1 Meter Box Lid (SAWS #13581) (Lids will be marked with SAWS water jet cut in 2&quot; block letter at 1/2 depth)</td>
<td>58.40</td>
<td>23,360.00</td>
</tr>
<tr>
<td>300 ea.</td>
<td>No. 2 Meter Box Lid (SAWS #13582) (Lids will be marked with SAWS water jet cut in 2&quot; block letter at 1/2 depth)</td>
<td>101.01</td>
<td>30,303.00</td>
</tr>
<tr>
<td>500 ea.</td>
<td>No. 3 Meter Box Lid (SAWS #13583) (Lids will be marked with SAWS water jet cut in 2&quot; block letter at 1/2 depth)</td>
<td>130.01</td>
<td>65,005.00</td>
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**TOTAL GROUP 1**

**Total** 118,668.00

**NO BID**

### Group 2: OVAL METER BOXES

<table>
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<th>Unit</th>
<th>Description</th>
<th>Unit Price</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1,300 ea.</td>
<td>Oval Meter Box (SAWS #9853)</td>
<td>27.17</td>
<td>35,565.00</td>
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**TOTAL GROUP 2**

**Total** 95,440.00

**NO BID**

### Group 3: VALVE BOX COMPONENTS

<table>
<thead>
<tr>
<th>Unit</th>
<th>Description</th>
<th>Unit Price</th>
<th>Total Price</th>
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</thead>
<tbody>
<tr>
<td>350 ea.</td>
<td>Valve Box only, size 6&quot; (SAWS #9877)</td>
<td>25.40</td>
<td>8,890.00</td>
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<tr>
<td>600 ea.</td>
<td>Valve Box only, size 6&quot; (SAWS #10273)</td>
<td>7.12</td>
<td>4,272.00</td>
</tr>
<tr>
<td>600 ea.</td>
<td>9&quot; Valve Box Extension size 6&quot; x 9&quot; (SAWS #9833)</td>
<td>12.70</td>
<td>7,620.00</td>
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<tr>
<td>150 ea.</td>
<td>15&quot; Valve Box Extension size 6&quot; x 15&quot; (SAWS #9834)</td>
<td>18.80</td>
<td>2,820.00</td>
</tr>
<tr>
<td>20 ea.</td>
<td>Valve Box cap, size 6&quot; Division (SAWS #10270)</td>
<td>14.88</td>
<td>297.60</td>
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<tr>
<td>150 ea.</td>
<td>Valve Box cap, Size 6&quot; Open Left (SAWS #10271)</td>
<td>8.00</td>
<td>1,200.00</td>
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<tr>
<td>100 ea.</td>
<td>Valve Box cap, size 6&quot; Open Right (SAWS #10272)</td>
<td>14.88</td>
<td>1,488.00</td>
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<tr>
<td>300 ea.</td>
<td>10&quot; Monument Box Traffic bearing sewer cleanout DI (SAWS #15893)</td>
<td>38.61</td>
<td>11,583.00</td>
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**TOTAL GROUP 3**

**Total** 38,170.60

**NO BID**

### Group 4: TRAFFIC BEARING COMPOSITE LIBS

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<tr>
<th>Unit</th>
<th>Description</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ea.</td>
<td>No. 1 Meter Box Lid Composite, Traffic Bearing, Mfg. Nicor; P/N 15X23WNL (SAWS #38978)</td>
<td>41.14</td>
<td>41,140.00</td>
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<tr>
<td>1 ea.</td>
<td>No. 2 Meter Box frame 1/4&quot; X 2&quot; X 2&quot; Angle 1-1/2 X 2&quot; Flat Bar, Mfg. Nicor; P/N B16BK1HDS-SAWS (frame will be marked with SAWS stamped in 1&quot; block letter) (SAWS #38880)</td>
<td>129.00</td>
<td>129,000.00</td>
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<tr>
<td>2 ea.</td>
<td>No. 1 Meter Box Lid Composite, Traffic Bearing, Mfg. Nicor; P/N 12X18WNL (SAWS #38979)</td>
<td>22.72</td>
<td>45,442.00</td>
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<td>2 ea.</td>
<td>No. 1 Meter Box Lid Composite, Traffic Bearing, Mfg. Nicor; P/N 12X18WNL (SAWS #38981)</td>
<td>100.89</td>
<td>201,780.00</td>
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</table>

**TOTAL GROUP 4**

**Total** 244,306.00

**NO BID**

**Total** 271,434.00
| Group 5 | INCIDENTAL TRAFFIC BEARING COMPOSITE LIDS | UNIT PRICE | | | TOTAL |
|--------|------------------------------------------|------------|---|---|
| 1.     | No. 2 Meter Box Lid Polymer, Traffic bearing incidental Mg; DFW Plastic, P/N DFWMB17821-1A SAWS-LID (SAWS #39028) | 71.39 | 77.00 | 73.21 |
|        | TOTAL | 178,475.00 | 192,500.00 | 183,025.00 |
|        | TOTAL GROUP 5 | 178,475.00 | 192,500.00 | 183,025.00 |
|        | TOTAL AWARD | 864,739.60 | | |

| EXTENSION 1 | | 864,739.60 |
| EXTENSION 2 | | 864,739.60 |
| EXTENSION 3 | | 864,739.60 |
| EXTENSION 4 | | 864,739.60 |

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<td></td>
<td>30 days</td>
<td>30 days</td>
<td>10 days</td>
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*LOW BIDDER*

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

- Act Pipe & Supply
- AY McDonald
- Core & Main
- Corix
- Ferguson Water Works
- Fortline Waterworks
- Gajek

Hydro Pro Solutions
KLP Commercial
Mastervolt Line Pipe
Milford Online
Morris'ons Supply
Scruggs

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

**PROPOSAL**

Annual Contract for Miscellaneous Waterworks Brass Goods
(October 1, 2018 through September 30, 2019)

**DATE:**
3:00 p.m., June 26, 2018

**QUANTITY**
UNIVERSAL AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
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<th>DESCRIPTION</th>
<th>PRICE</th>
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<td>100 ea., Corporation Stop, IP X CMP Size 3-1/4, AY McDonald #747040BQ, SAW #10846</td>
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<td>400 ea., Corporation Stop, IP X CMP Size 1-1/4, AY McDonald #747041BQ, SAW #10840</td>
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<td>30 ea., Corporation Stop, CC X IP Size 1-1/2, Tapered X IP Material Brass, Mueller, B-2996NL, AY McDonald 73121B, SAW #10847</td>
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<td>100 ea., Curb Stop, Ball Valve, Size 1/2&quot;, CC X CMP, Material Brass, AY McDonald #731211W, SAW #10841</td>
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<td>1,562.00</td>
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<tr>
<td></td>
<td>100 ea., Curb Stop, Ball Valve, Size 2&quot;, IP X IP Female, Material Brass, Jones 1900WLS, AY McDonald #76111W, SAW #17127</td>
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<td>15,203.00</td>
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**TOTAL GROUP 1:**

| TOTAL | 81,870.25 | 78,327.31 | 81,928.48 | 80,693.00 |

### GROUP 2
METER COUPLING & ADAPTERS

<table>
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<tr>
<th>DESCRIPTION</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>Connection, Meter, Size 1&quot;, Meter swivel nut water meter coupling outside, IP Thread End Type Threaded Material Brass, Mueller, H-10890, AY McDonald #74624, SAW #10852</td>
<td>11.44</td>
<td>5,720.00</td>
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<td>7.52</td>
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<td>Connection, Meter connection, threaded, material brass, Mueller, H-10890, AY McDonald #74625, SAW #10854</td>
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<td>Coupling Meter, Compression, Size 3&quot; PIP x 3&quot; CMP, Material Brass, AY McDonald #74634, SAW #11090</td>
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<tr>
<td>Coupling Meter (MR Saddleout), Size 1&quot;, Saddle Nut inside I.P., Material Brass, Mueller, H-14215, AY McDonald #74637DSL, SAW #11089</td>
<td>13.52</td>
<td>2,704.00</td>
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<td></td>
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<td>12.73</td>
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<tr>
<td>Coupling Meter (MR Saddleout), Size 5/8&quot; x 3/4&quot; x 3/4&quot; IP, material Brass, Mueller, H-14215, AY McDonald #74637DSL, SAW #11091</td>
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<td>1,332.20</td>
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<tr>
<td>Item</td>
<td>Description</td>
<td>Price</td>
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<td>-----</td>
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</tr>
<tr>
<td>1.</td>
<td>Bushing, Spud Size 5/8&quot; x 3/4&quot;, End Type Threaded, Material Brass, Mueller #1-10808, AWS #110120</td>
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<td>2.</td>
<td>Bushing, Water Meter with Gasket, Size 1 1/4&quot; x 1&quot;, End Type Threaded, Material Brass, Mueller #3-1288H, AY McDonald #110034, AWS #10669</td>
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<td>6,350.00</td>
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<td>TOTAL GROUP 2</td>
<td>58,725.20</td>
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<td>3.</td>
<td>SERVICE FITTINGS</td>
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<td>1.</td>
<td>Coupling, Service 1 1/2&quot; x 1/2&quot;, CMP X CMP, Material Brass, AY McDonald #74758Q-2, AWS #11194</td>
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<td>2.</td>
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<td>1,212.00</td>
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<td>3.</td>
<td>Coupling, Service Copper, Size 3/4&quot;, CMP X CMP, Material Brass, AY McDonald #74758Q, AWS #10945</td>
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<td>10,990.00</td>
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<td>4.</td>
<td>Coupling, Service Copper, Size 1&quot;, CMP X CMP, Material Brass, AY McDonald #74758Q, AWS #10879</td>
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<td>13,250.00</td>
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<td>5.</td>
<td>Coupling, Service Copper, Size 1 1/2&quot;, CMP X CMP, Material Brass, AY McDonald #74758Q, AWS #10906</td>
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<td>6.</td>
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<td>7.</td>
<td>Coupling, Service Copper, Size 2&quot;, CMP X CMP, Material Brass, AY McDonald #74758Q, AWS #10925</td>
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<td>57,480.00</td>
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<td>8.</td>
<td>Coupling, Male, Size 3/4&quot;, COMP X 1/2&quot; I.P., Material Brass, AY McDonald #74753Q, AWS #10938</td>
<td>123.15</td>
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<td>123,150.00</td>
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<td>9.</td>
<td>Coupling, ELL, Size 2&quot;, CMP X CMP, Threaded, Material Brass, AY McDonald #74761Q, AWS #10918</td>
<td>44.30</td>
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<td>44,300.00</td>
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<td>10.</td>
<td>Coupling, Male, Size 2&quot;, IP X CMP, Material Brass, AY McDonald #74753Q, AWS #10923</td>
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<td>38,700.00</td>
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<tr>
<td>11.</td>
<td>Coupling, Female, Size 1 1/2&quot;, IP X CMP, Threaded, Material Brass, #74753Q, AWS #10904</td>
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<td>46,520.00</td>
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<td>12.</td>
<td>Coupling, Female, Size 2&quot;, IP X CMP, Threaded, Material Brass, AY McDonald #74753Q, AWS #10921</td>
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<td>55,824.00</td>
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<td>13.</td>
<td>Adapter, (Flare X Compression), Size 3/4&quot;, End Type Threaded, Material Brass, AY McDonald #74755Q, AWS #9097</td>
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<td>10,720.00</td>
</tr>
</tbody>
</table>
## SAN ANTONIO WATER SYSTEM
### P. O. BOX 2449
**SAN ANTONIO, TEXAS 78298-2449**
### TABULATION OF BIDS

**PROPOSAL**
**FILE NO:** 18-0028
**DATE:** September 30, 2019
**TIME:** 3:30 p.m., June 26, 2018
**SUBJECT:** MISCELLANEOUS WATERWORKS BRASS GOODS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 ea.</td>
<td>Adapter, (Flare X Compression), Size 1&quot;. End Type Threaded, Material Brass, AY McDonald #74755Q, SAWS #9095</td>
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<td>2,000 ea.</td>
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<td>400 ea.</td>
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<td>2,500 ea.</td>
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<td>21,200.00</td>
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<td>500 ea.</td>
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<td>450 ea.</td>
<td>Tee, (Compression Connection), Size 3/4&quot; x 3/4&quot; x 1&quot;, Material Brass, AY McDonald #74760Q, SAWS #16600</td>
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<td>11,880.00</td>
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<td>600 ea.</td>
<td>Coupling, Female, Size 3/4&quot; X 1/2&quot; CMP X II, End Type Threaded, Material Brass, AY McDonald #74754Q, SAWS #10939</td>
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<td>5,304.00</td>
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<td>59.26</td>
<td>3,063.00</td>
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**TOTAL GROUP 4**
**METER VALVES**
| 250 ea. | Valve, Angle/Ball, Size 1-1/2", Material Brass AY McDonald #74612BQ, SAWS #17049 | 155.71 | 38,925.00 |
| 250 ea. | Valve, Angle/Ball, Size 2" CMP X FLG, Material Brass AY McDonald #74612BQ, SAWS #17048 | 197.51 | 49,375.00 |
| 2,400 ea. | Curb Stop, Angle/Ball Valve, Size 3/4", IP X CPL, Material Brass, AY McDonald #74634B, SAWS #11324 | 23.06 | 55,440.00 |
| 11,000 ea. | Curb Stop, Angle/Ball Valve, Compression Connection X Meter Swivel Nut, Size 3/4", Material Brass, AY McDonald #74612BQ, SAWS #11327 | 28.11 | 309,310.00 |
| 2,500 ea. | Curb Stop, Angle/Ball Valve, Compression Connection X Meter Swivel Nut Size 1", Material Brass, AY McDonald #74612BQ | 59.87 | 149,675.00 |

**TOTAL GROUPS 1-4**
**TOTAL**

### Manufacturer
AY McDonald

### Price List or Catalog No.
Current

### Discount Off Price List (%)
51% x 10%

### Multiplier for Discount
0.49 x 0.90
### SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

#### TABULATION OF BIDS

**From:** Annual Contract for Miscellaneous Waterworks Brass Goods  
(October 1, 2018 through September 30, 2019)  
**Date:** 3:00 p.m., June 26, 2018

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description/Approximate Quantity</th>
<th>Tecline Pipe</th>
<th>Care and Main, L.P.</th>
<th>Ferguson Distribution, LLC</th>
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<tbody>
<tr>
<td></td>
<td>Effective Date of Price List</td>
<td>Current</td>
<td>10/1/13</td>
<td>07/2017</td>
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<tr>
<td></td>
<td>TOTAL AWARD</td>
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<td>EXTENSION 1</td>
<td></td>
<td>934,463.35</td>
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<td>Net</td>
<td>Net</td>
<td>10 days</td>
</tr>
<tr>
<td>Delivery</td>
<td>30 days</td>
<td>30 days</td>
<td>30 days</td>
<td></td>
</tr>
</tbody>
</table>

*LOW BIDDER

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

- Act Pipe
- AY McDonald
- Cohen Pipe
- Care and Main
- Corix
- Corix
- Ferguson Waterworks
- Fortline Waterworks
- Gajeske
- Hydro Pro Solutions
- KLP Commercial
- Milford Online
- Scruge
- Tecline Pipe
- Ferguson Distribution

SAWS Website
Demandstar
AGENDA ITEM NO. 7

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 CHANGE ORDER NO. 3 IN CONNECTION WITH THE HIGHLAND ESTATES MONTANA PASS FLOATING GROUND STORAGE TANK PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 3 in the amount of $100,666.53 payable to Pesado Construction, Inc., a local, SMWVB contractor, in connection with the Highland Estates Montana Pass Floating Ground Storage Tank Project.

- On December 14, 2016, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution No. 16-282, authorized a construction contract with Pesado Construction, Inc. in the amount of $5,343,000.00 in connection with the project.

- This project consists of the construction of a pump station with the following infrastructure: a 3,000,000 gallon storage tank, a 10,000 gallon hydro-pneumatic tank, high service pumps with a total capacity of 2,000 GPM (including fire flow), and 12-inch stub-out mains along boundaries of the Highland Estates Subdivision. The construction area is located over the Edwards Aquifer Contributing Zone.

- Large differences in grade/elevation were to be mitigated with a natural saw cut retaining wall. This type of wall is created by saw cutting or excavating and removing a portion of earthen material while the other portion of earthen material (typically rock) stays in place. However, the soil contained more pockets of hardened clay than limestone rock as indicated within the geotechnical report and the natural saw cut wall is a safety concern should the wall start to deteriorate.

- The scope of work for this change order includes the construction of a cast-in-place concrete retaining wall along the cut wall and proposes the use of sheet drain with drainage rock. This includes the excavation for footing, wall construction and backfill behind the wall with crushed stone, flex base and native materials.

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 Water Delivery Core Business budget line item. The amount is $100,666.53 for Change Order No. 3 and funds will be transferred from the 2018 Owner Controlled Construction Changes line item. The job number is 15-1177.

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. 16-282)</td>
<td>$5,343,000.00</td>
</tr>
<tr>
<td>Change Order Nos. 1 and 2</td>
<td>38,995.05</td>
</tr>
<tr>
<td>Proposed Change Order No. 3</td>
<td>100,666.53</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$5,482,661.58</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of all change orders is $5,482,661.58 which represents an increase of 1.87 percent to the original contract amount.

SUPPLEMENTARY COMMENTS:

The original completion date for this contract is November 29, 2017. As a result of previous change orders and this change order, which adds 39 days, the contract has been extended and the new completion date is July 26, 2018.

Tracey B. Lehmann, P.E.  
Director  
Development

Andrea L. 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 APPROVING CHANGE ORDER NO. 3 IN THE AMOUNT OF $100,666.53 FOR THE ADDITIONAL PROJECT WORK IN CONNECTION WITH THE HIGHLAND ESTATES MONTANA PASS FLOATING GROUND STORAGE TANK PROJECT; AMENDING RESOLUTION NO. 16-282 BY APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $100,666.53 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. 3, AND TO PAY PESADO CONSTRUCTION, INC. AN ADDITIONAL AMOUNT NOT TO EXCEED $100,666.53 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 December 14, 2016, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution No. 16-282, authorized a construction contract with Pesado Construction, Inc. a non-local non-SMWVB contractor, in the amount of $5,343,000.00 in connection with the project; and

WHEREAS, Change Order No. 3 is required for the construction of a concrete retaining wall due to differing site conditions; and

WHEREAS, negotiations between the System and Pesado Construction, Inc. resulted in a cost of $100,666.53 for Change Order No. 3 for the additional project work; and

WHEREAS, additional System funds in an amount not to exceed $100,666.53, are required in connection with the additional project work; and

WHEREAS, the total amount of $100,666.53 is available from the System’s Project Fund; and

WHEREAS, the contractor is authorized to proceed with Change Order No. 3 in the interest of preventing further environmental and public health impacts; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 3 in an amount not to exceed $100,666.53 payable to Pesado Construction, Inc. in connection with the Highland Estates Montana Pass Floating Ground Storage Tank Project, (ii) to amend Resolution No. 16-282 by approving an additional amount not to exceed $100,666.53 be made available and expended from the System’s Project Fund for additional project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 3, and to pay Pesado Construction, Inc. an additional amount not to exceed $100,666.53 for additional project work; now, therefore:

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

1. That Change Order No. 3 in an amount not to exceed $100,666.53 payable to Pesado Construction, Inc. in connection with the Highland Estates Montana Pass Floating Ground Storage Tank Project is hereby approved.

2. That Resolution No. 16-282 is hereby amended by authorizing an additional amount not to exceed $100,666.53 payable to Pesado Construction, Inc. in connection with the Highland Estates Montana Pass Floating Ground Storage Tank Project.

3. That an additional amount not to exceed $100,666.53 is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 3, and to pay Pesado Construction, Inc. an additional amount not to exceed $100,666.53 for additional project work in connection with the Highland Estates Montana Pass Floating Ground Storage Tank Project.

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

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

PASSED AND APPROVED this 7th day of August, 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Patricia E. Merritt, Assistant 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: RATIFICATION OF CHANGE ORDER NO. 10 IN CONNECTION WITH THE C-12 DONALDSON TERRACE PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Engineering and Construction in approving Change Order No. 10 in the amount of $549,999.98 payable to S.J. Louis Construction of Texas, Ltd., a local, non-SMWVB contractor, in connection with the C-12 Donaldson Terrace Project for the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project.

- The change order to the contract that is the subject of the attached resolution, if approved, will authorize work that is required by Section V. B. Early Action Program of the Consent Decree between the San Antonio Water System (the “System”), the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- On September 13, 2016, the System’s Board of Trustees, by Resolution No. 16-236, authorized a construction contract with S.J. Louis Construction of Texas, Ltd., in the total amount of $6,758,717.46 in connection with the C-12 Donaldson Terrace Project work.

- The W-6: Western Watershed Sewer Relief Line (Middle Segment) Project is a priority outfall improvement that will replace approximately 1.7 miles of existing 54-inch sanitary sewer main with a 90-inch sewer main along Leon Creek from Quintana Road to SW Military.

- During construction of the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project, a discrepancy between the plan and profile sheets for a siphon structure and the corresponding structural detail sheets was encountered. The invert elevation of the siphon box was shown two feet higher on the structural sheets. Subsequent analysis by the consultant determined that the siphon box needs to be demolished and reconstructed. Additionally, there is a time constraint related to access and use of the land in the vicinity of the siphon structure. The current agreement with the land owner expires on December 31, 2018. The land owner has indicated he is unwilling to sign an extension.
Ratification of Change Order No. 10  
C-12 Donaldson Terrace Project

- The work being requested under this change order includes demolition and reconstruction of the siphon structure, tie-ins to the structure, and protecting the existing 36-inch reclaimed water line running in close proximity to the structure.

- The System attempted to negotiate a change order for the proposed work with Spiess Construction Co., Inc., the contractor for the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project. However, after several attempts, the two parties failed to reach an agreement. The System decided to pursue negotiations with S.J Louis Construction of Texas, Ltd. in order to maintain the project’s schedule and address concerns related to significant right of entry and landowner agreement constraints.

- On September 13, 2016, the System’s Board of Trustees, by Resolution No. 16-236, authorized a construction contract with S.J. Louis Construction of Texas, Ltd., in the total amount of $6,758,717.46 in connection with the C-12 Donaldson Terrace Project work.

- S.J. Louis Construction of Texas, Ltd. is willing and able to perform the proposed work. The change order was negotiated to meet time constraints in the amount of $549,999.98.

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 $549,999.98 for Change Order No. 10 and funds will be transferred from the 2018 Owner Controlled Construction Changes line item. The job number is 15-4504.

The authorizations 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. 16-236)</td>
<td>$6,758,717.46</td>
</tr>
<tr>
<td>Change Order Nos. 1 through 9</td>
<td>728,323.17</td>
</tr>
<tr>
<td>Proposed Change Order No. 10</td>
<td>549,999.98</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$8,037,040.61</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of all change orders is $8,037,040.61, which represents an 18.91 percent increase to the original contract amount.

The original completion date for this contract is March 24, 2018. As a result of this change order and previous change orders, the contract has been extended for a new completion date of November 12, 2018.
Ratification of Change Order No. 10
C-12 Donaldson Terrace Project

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

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

W-6: WESTERN WATERSHED SEWER RELIEF LINE
(MIDDLE SEGMENT) PROJECT

LEGEND
★ PROJECT SITE
Edwards Aquifer Recharge Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF ENGINEERING AND CONSTRUCTION IN APPROVING CHANGE ORDER NO. 10 IN THE AMOUNT OF $549,999.98 IN CONNECTION WITH THE C-12 DONALDSON TERRACE PROJECT FOR THE W-6: WESTERN WATERSHED SEWER RELIEF LINE (MIDDLE SEGMENT) PROJECT; AMENDING RESOLUTION NO. 16-236 BY APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $549,999.98 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. 10 AND TO PAY S.J. LOUIS CONSTRUCTION OF TEXAS, LTD. AN ADDITIONAL AMOUNT NOT TO EXCEED $549,999.98 FOR ADDITIONAL PROJECT WORK FOR THE W-6: WESTERN WATERSHED SEWER RELIEF LINE (MIDDLE SEGMENT) PROJECT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, during construction of the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project, an elevation discrepancy was found affecting the siphon structure and a change order was necessary to demolish and reconstruct the siphon structure; and

WHEREAS, the System negotiated a change order for this project work with S.J. Louis Construction of Texas, Ltd., under the C-12 Donaldson Terrace Project; and

WHEREAS, on September 13, 2016, the System’s Board of Trustees, by Resolution No. 16-236, authorized a construction contract with S.J. Louis Construction of Texas, Ltd., in the amount of $6,758,717.46 in connection with the project work; and

WHEREAS, Change Order No. 10 in the amount of $549,999.98 provides for this additional project work; and

WHEREAS, additional System funds in an amount not to exceed $549,999.98, are required for the additional project work; and

WHEREAS, the total amount of $549,999.98 is available from the System’s Project Fund; and
WHEREAS, the contractor was authorized to proceed with Change Order No. 10 in the interest of maintaining the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project’s schedule, which is limited by significant land use constraints; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to ratify the actions of the Vice President of Engineering and Construction in approving Change Order No. 10 in an amount not to exceed $549,999.98 in connection with the C-12 Donaldson Terrace Project for the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project, (ii) to amend Resolution No. 16-236 by approving the expenditure of an additional amount not to exceed $549,999.98, payable to S.J. Louis Construction of Texas, Ltd. for additional project work, (iii) to expend an additional amount not to exceed $549,999.98 from the System’s Project Fund, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 10 and to pay an additional amount not to exceed $549,999.98 to S.J. Louis Construction of Texas, Ltd. for additional project work; now, therefore:

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

1. That the actions of the Vice President of Engineering and Construction in approving Change Order No. 10 in an amount not to exceed $549,999.98 in connection with the C-12 Donaldson Terrace Project for the W-6 Middle Segment project are hereby ratified.

2. That Resolution No. 16-236 is hereby amended by authorizing an additional amount not to exceed $549,999.98 payable to S.J. Louis Construction of Texas, Ltd. in connection with the C-12 Donaldson Terrace Project for the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project.

3. That an additional amount not to exceed $549,999.98 is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 10, and to pay S.J. Louis Construction of Texas, Ltd. an additional amount not to exceed $549,999.98 for additional project work in connection with the C-12 Donaldson Terrace Project for the W-6: Western Watershed Sewer Relief Line (Middle Segment) Project.

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

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

PASSED AND APPROVED this 7th day of August, 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Patricia E. Merritt, Assistant 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: APPROVAL OF ADDITIONAL SERVICES AND FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE CONSTRUCTION FEASIBILITY REVIEW SERVICES – CONTRACT 1

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 16-205 by authorizing additional services and funds to an existing professional services contract with Construct-Ability, LLC, a local, non-SMWVB firm, in an amount not to exceed $150,000.00 for professional engineering services in connection with the Construction Feasibility Review Services – Contract 1.

- The San Antonio Water System’s (the “System”) engineering staff requires the services for a third party construction feasibility review of engineering plans and specifications to assess the constructability of the projects, verify construction cost estimates and schedules, and provide general value engineering.

- The use of a construction feasibility review services contract enhances the quality of the construction documents to ensure they are accurate, complete, biddable, and buildable. These services further contribute to the accuracy of the cost estimates and schedules, thereby potentially reducing costs and mitigating risks during construction.

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

- By Resolution No. 16-205, passed and approved on August 2, 2016, the System’s Board of Trustees approved a professional services contract in the amount of $150,000.00 with Construct-Ability, LLC in connection with the Construction Feasibility Review Services – Contract 1.

- Additional professional services are required to support the projects in design and construction phase by providing constructability feasibility reviews and construction cost estimates.
• Additional funding in the amount of $150,000.00 is available from the System’s Project Fund, and can be added to the current contract with Construct-Ability, LLC.

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. The work is included in the Water Core Business budget line item. The amount is $150,000.00 for the additional water engineering work. The job number is 18-7003.

The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 16-205)</td>
<td>$150,000.00</td>
</tr>
<tr>
<td>Proposed Additional Funds</td>
<td>$150,000.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$300,000.00</td>
</tr>
</tbody>
</table>

As a result of the additional funds, the new contract amount is $300,000.00. This represents a 100 percent increase in the System’s original contract amount.

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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING ADDITIONAL SERVICES AND EXPENDITURES TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH CONSTRUCT-ABILITY, LLC IN AN AMOUNT NOT TO EXCEED $150,000.00 FOR A TOTAL AUTHORIZATION AMOUNT NOT TO EXCEED $300,000.00 FROM THE SYSTEM'S PROJECT FUND IN CONNECTION WITH THE CONSTRUCTION FEASIBILITY REVIEW SERVICES – CONTRACT 1; APPROVING THAT AN AMOUNT NOT TO EXCEED $150,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM'S PROJECT FUND FOR THE ADDITIONAL ENGINEERING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH CONSTRUCT-ABILITY, LLC, AND TO PAY CONSTRUCT-ABILITY, LLC AN ADDITIONAL AMOUNT NOT TO EXCEED $150,000.00 FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s (the “System”) engineering staff requires the services from a third party construction feasibility review of engineering plans and specifications to assess the constructability of the projects, verify construction cost estimates and schedules, and provide general value engineering; and

WHEREAS, the System’s Board of Trustees (the “Board”) by Resolution No. 16-205, adopted August 6, 2016, originally approved the expenditure of $150,000.00 for professional services contract with Construct-Ability, LLC in connection with the Construction Feasibility Review Services – Contract 1; and

WHEREAS, additional funding for Construct-Ability, LLC is needed for the additional professional engineering services to support the projects in design and construction by providing constructability feasibility reviews and construction cost estimates; and

WHEREAS, additional funding to the existing professional services contract with Construct-Ability, LLC in an amount not to exceed $150,000.00 are required for Construct-Ability, LLC to provide additional professional engineering services; and
WHEREAS, the required amount of $150,000.00 is available from the System’s Project Fund for the additional engineering services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve additional services and funds to the existing professional services contract with Construct-Ability, LLC in an amount not to exceed $150,000.00, for a total authorization not to exceed $300,000.00 in connection with the Construction Feasibility Review Services – Contract 1, (ii) to make available an amount not to exceed $150,000.00 from the System’s Project Fund for the additional engineering services, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the existing professional services contract with Construct-Ability, LLC, and to pay Construct-Ability, LLC an additional amount not to exceed $150,000.00 for the additional engineering services in connection with the project work; now, therefore:

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

1. That Resolution No. 16-205 is hereby amended to provide additional engineering services to the existing professional services contract with Construct-Ability, LLC in an amount not to exceed $150,000.00 to an amended total authorization of $300,000.00 in connection with the Construction Feasibility Review Services – Contract 1.

2. That an amount not to exceed $150,000.00 is hereby made available and is to be expended from the System’s Project Fund for the additional engineering services related to the project work.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the existing professional services contract with Construct-Ability, LLC, and to pay Construct-Ability, LLC an amount not to exceed $150,000.00 for additional engineering services related to the project work.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 7th day of August, 2018.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

FROM: Michael 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 MICRON TO ANDERSON PUMP STATION PHASE 2 – 48-INCH WATER MAIN PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to S.J. Louis Construction of Texas, Ltd., a non-local, non-SMWVB firm, in the amount of $2,179,056.00 in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work to install the final phase of a potable water main needed to connect the Micron Pump Station to the Anderson Pump Station.

- This contract will complete the work that started on November 1, 2011 under Resolution No. 11-353 by a project of the same name. This work was halted in September 2012 due to the Texas Department of Transportation’s (TxDOT) right-of-way permit being suspended due to the discovery of an endangered species in an adjacent TxDOT project.

- Initially, the San Antonio Water System (the “System”) performed additional environmental studies as requested by the U.S. Fish and Wildlife Service (the “USFWS”) in 2012; however, the USFWS informed the System that due to the TxDOT discovery there was now a higher possibility of encountering an endangered species, and to be able to resume construction, the System had to obtain a USFWS Incidental Take Permit, in which the System applied for and obtained in January 2018.

- This final phase to connect the Micron Pump Station to the Anderson Pump Station includes the installation of approximately 1,115 feet of 48-inch potable water main by open cut and by jack and bore construction methods.

- S.J. Louis Construction of Texas, Ltd. has submitted the lowest responsible bid of $2,179,056.00.

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 Water Delivery Core Business, Mains New Category budget line item. The total amount is $2,179,056.00 for water work under job number is 10-7002.

SUPPLEMENTARY COMMENTS:

K Friese and Associates prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $2,200,000.00.

A bid opening was held on July 9, 2018 at 2:00 P.M. The following bids submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. J. Louis Construction of Texas, Ltd.*</td>
<td>$2,179,056.00</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,200,000.00</td>
<td></td>
</tr>
<tr>
<td>Whitestone Civil Construction, LLC</td>
<td>$2,722,352.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Excel Trenching, LLC</td>
<td>$3,330,562.50</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 0.01 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.J. Louis Construction of Texas, Ltd.</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>
Michael Myers, P.E.
Director
Plants and Major Projects

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 SITE MAP
ATTACHMENT II

MICRON TO ANDERSON PUMP STATION PHASE 2
48-INCH WATER MAIN PROJECT

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO S.J. LOUIS CONSTRUCTION OF TEXAS, LTD. IN THE AMOUNT OF $2,179,056.00 IN CONNECTION WITH MICRON TO ANDERSON PUMP STATION PHASE 2 – 48-INCH WATER MAIN PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,179,056.00 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 S.J. LOUIS CONSTRUCTION OF TEXAS, LTD. AND TO PAY S.J. LOUIS CONSTRUCTION OF TEXAS, LTD. AN AMOUNT NOT TO EXCEED $2,179,056.00 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 install a potable water main needed to connect the Anderson Pump Station to the Micron Pump Station; and

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

WHEREAS, S.J. Louis Construction of Texas, Ltd. a non-local, non-SMWVB firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $2,179,056.00 for the project work; and

WHEREAS, System funds in the amount of $2,179,056.00 are required for the project work; and

WHEREAS, the total amount of $2,179,056.00 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 S.J. Louis Construction of Texas, Ltd. in the amount of $2,179,056.00 in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $2,179,056.00 from the System’s Project Fund for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with S.J. Louis
Construction of Texas, Ltd., and to pay S.J. Louis Construction of Texas, Ltd. an amount not to exceed $2,179,056.00 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 $2,179,056.00 is hereby awarded to S.J. Louis Construction of Texas, Ltd. in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project.

2. That the expenditure of funds in an amount not to exceed $2,179,056.00 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 S.J. Louis Construction of Texas, Ltd., and to pay S.J. Louis Construction of Texas, Ltd. an amount not to exceed $2,179,056.00 in connection with the Micron to Anderson Pump Station Phase 2- 48-inch Water Main 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 7th day of August, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant 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: RATIFICATION OF CHANGE ORDER NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS TO BEXAR COUNTY IN CONNECTION WITH THE BORGFELD ROAD PHASE II: TIMBERLINE TO BLANCO ROAD PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $494,735.34, and amends Resolution 17-032 by approving additional funds in the amount of $439,141.84 for advancement to Bexar County through the Bexar County Public Works Program (the “County”), in connection Borgfeld Road Phase II: Timberline to Blanco Road Project.

- The County is currently constructing street and drainage improvements in the project area illustrated on the attached maps. This project requires water main adjustments to avoid conflicts with the County’s improvements. Design for this project was done by Young Professional Resources.

- Funds in the total amount of $611,528.50 were originally approved for the construction of this project by Resolution No. 17-032, adopted February 7, 2017, based on the low bid by Texas Sterling Construction of $555,935.00 and a construction contingency of $55,593.50.

- During construction, a retaining wall was added and created a depth of cover and separation conflict with an existing 12-inch water main. The existing 12-inch water main was not potholed during design because it was not in conflict at that time. It was determined approximately 982 feet of the existing water main needed to be relocated to maintain sufficient cover and distance from the proposed retaining wall.

- Change Order No. 1, in the amount of $494,735.34, provided for the relocation of an existing 12-inch water main. Ratification was necessary to authorize the contractor to perform the necessary additional work in order to avoid project delays and delay charges.

- Funds in the amount of $55,593.50 are available in the construction contingency for Change Order No. 1. The additional amount of $439,141.84 is for the short fall for Change Order No. 1. The System’s work is 85 percent complete.
Ratification of Change Order No. 1 and Authorization of Additional Funds
Borgfeld Road Phase II: Timberline to Blanco Road 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 $439,141.84 for additional construction contingency expenses. The job number is 13-5201.

The revised authorizations and contract amount 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. 17-032)</td>
<td>$555,935.00</td>
</tr>
<tr>
<td>Proposed Change Order No. 1</td>
<td>494,735.34</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>1,050,670.34</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingency:</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contingency Amount (Resolution No. 17-032)</td>
<td>$55,593.50</td>
</tr>
<tr>
<td>Proposed Additional Funds</td>
<td>439,141.84</td>
</tr>
<tr>
<td>Proposed Change Order No. 1</td>
<td>(494,735.34)</td>
</tr>
<tr>
<td>Remaining Contingency Balance</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of all change orders is $1,050,670.34, which represents an increase of 89 percent to the original amount. This change order has not exceeded 25 percent of the overall contract. The County’s original contract amount is $7,478,988.99.

Gail Hamrick-Digg, P.E.  
Director  
Pipelines

Andrea L.H./Beymer, P.E.  
Vice President  
Engineering and Construction
Ratification of Change Order No. 1
and Authorization of Additional Funds
Borgfeld Road Phase II: Timberline to Blanco Road Project

APPROVED:

[Signature]
Robert R. Puente
President/Chief Executive Officer

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

BORGFELD ROAD PHASE II TIMBERLINE TO BLANCO ROAD

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AMENDING RESOLUTION NO. 17-032 BY APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $439,141.84 PAYABLE TO BEXAR COUNTY IN CONNECTION WITH THE BORGFELD ROAD PHASE II: TIMBERLINE TO BLANCO ROAD PROJECT; APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $439,141.84 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE ADDITIONAL PROJECT WORK; RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF ENGINEERING AND CONSTRUCTION IN APPROVING CHANGE ORDER NO. 1 IN THE AMOUNT OF $494,735.34; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY BEXAR COUNTY AN ADDITIONAL AMOUNT NOT TO EXCEED $439,141.84 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, Bexar County through the Bexar County Public Works Program (the “County”) is currently reconstructing the Borgfeld Road Phase II: Timberline to Blanco Road Project; and

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

WHEREAS, the System’s Board of Trustees by Resolution No. 17-032, adopted February 7, 2017, originally approved the expenditure of $611,528.50 to pay for the System’s project work based on the contractor’s bid of $555,935.00 and a construction contingency of $55,593.50; and

WHEREAS, during construction, a retaining wall was added and created conflict with an existing 12-inch water main, requiring the existing water main to be relocated; and

WHEREAS, Change Order No. 1 in the amount of $494,735.34 provides for this additional project work; and

WHEREAS, the additional project work cost exceeds the amount available in the construction contingency by $439,141.84; and
WHEREAS, additional System funds in an amount not to exceed $439,141.84 are required in connection with the project work; and

WHEREAS, the total amount of $439,141.84 is available from the System’s Project Fund; and

WHEREAS, the contractor was authorized to proceed with Change Orders No. 1 in the interest to avoid any further project delays and additional delay charges; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to amend Resolution No. 17-032 by approving the expenditure of an additional amount not to exceed $439,141.84 payable to the County in connection with the Borgfeld Road Phase II: Timberline to Blanco Road Project, (ii) to expend an additional amount not to exceed $439,141.84 from the System’s Project Fund for additional project work, (iii) to ratify the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $494,735.34 for the additional project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to pay an additional amount not to exceed $439,141.84 to Bexar County for the additional project work; now, therefore:

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

1. That Resolution No. 17-032 is hereby amended by authorizing additional funds in an amount not to exceed $439,141.84 payable to the County in connection with the Borgfeld Road Phase II: Timberline to Blanco Road Project.

2. That an additional amount not to exceed $439,141.84 is hereby made available and is to be expended from the System’s Project Fund.

3. That the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $494,735.34 for the additional project work in connection with the Borgfeld Road Phase II: Timberline to Blanco Road Project are hereby ratified.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the County an additional amount not to exceed $439,141.84 for additional project work in connection with the Borgfeld Road Phase II: Timberline to Blanco Road Project.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 7th day of August, 2018.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: AUTHORIZATION TO EXPEND FUNDS IN THE AMOUNT OF $65,000.00, BEING THE AMOUNT OF THE SPECIAL COMMISSIONERS AWARD IN LITIGATION BETWEEN THE SAN ANTONIO WATER SYSTEM AND JFMKS HOLDINGS, LLC FOR THE ACQUISITION OF ONE TEMPORARY CONSTRUCTION EASEMENT FOR THE E-19 SEGUIN ROAD TO NACOGDOCHES ROAD SEGMENT 2 PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the expenditure of funds in the amount of $65,000.00 into the Registry of the Court in connection with the Special Commissioners award in Cause No. 2018-ED-0003 of the Probate Court No. 1 of Bexar County, Texas, concerning one temporary construction easement of approximately 0.511 acres (22,263 sq. ft.) (the “Easement”) required from JFMKS Holdings, LLC, for the E-19 Seguin Road to Nacogdoches Road Segment 2 (the “Project”).

- The Project that is the subject of the attached resolution concerns work that is required by Section V.B - Early Action Program of the Consent Decree between SAWS, the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- The San Antonio Water System (the “System”) requires the acquisition of the Easement, located at 9200 Marymont Park Street, The Estates of Marymont, in San Antonio, Bexar County, Texas, owned by JFMKS Holdings, LLC (the “Owner”), for the construction of the Project.

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

- System staff attempted to acquire the Easement by negotiation. The negotiations were not successful and it became necessary that the City acting by and through the System acquire the needed Easement by condemnation.
Authorization to Expend Funds for
Easement Possession

• The System filed Cause No. 2018-ED-0003, styled City of San Antonio, acting by and through the San Antonio Water System, Condemnor, v. JFMKS Holdings, LLC, Condemnee; in the Probate Court No. 1, Bexar County, Texas to acquire the Easement from the Owner.

• On June 29, 2018, the Special Commissioners in the above captioned case rendered a damage award of $65,000.00 (the “Award”).

• The System desires to authorize staff to deposit funds in the amount of the Award in the Registry of the Court, allowing the System to obtain possession of the Easement.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will incur the acquisition costs and possible legal fees associated with the acquisition of the land rights necessary for this Project. Funding for these land rights are found in the 2016 Capital Improvement Program, Wastewater Core Business, Main Replacement - Sewer Category.

Bruce A. Haby
Manager
Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

Robert R. Puente
President/Chief Executive Officer
OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES AUTHORIZING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE FROM THE PROJECT FUND THE AMOUNT OF $65,000.00 (THE “AWARD”) BEING THE AMOUNT OF THE SPECIAL COMMISSIONERS AWARD IN LITIGATION BETWEEN THE CITY OF SAN ANTONIO (THE “CITY”) BY AND THROUGH THE SYSTEM AND JFMKS HOLDINGS, LLC IN CONNECTION WITH THE ACQUISITION OF ONE TEMPORARY CONSTRUCTION EASEMENT BEING APPROXIMATELY 0.511 (22,263 SQ. FT.) ACRES (THE “EASEMENT”) LOCATED AT 9200 MARYMONT PARK STREET, THE ESTATES OF MARYMONT IN SAN ANTONIO, BEXAR COUNTY, TEXAS, OWNED BY JFMKS HOLDINGS, LLC (THE “OWNER”), FOR THE E-19 SEGUIN ROAD TO NACOGDOCHES ROAD SEGMENT 2 PROJECT (THE “PROJECT”); FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System has determined that acquisition of the Easement is necessary for the Project, the Easement being more particularly described and depicted in Attachment I, attached hereto and incorporated herein for all purposes; and

WHEREAS, the Project was declared a public necessity by the System’s Board by Resolution No. 17-083 on April 4, 2017, and use of eminent domain was authorized by Ordinance No. 2017-04-20-0254 of the City of San Antonio on April 20, 2017; 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, acting by and through the System, acquire the needed Easement by condemnation; and

WHEREAS, the System filed Cause No. 2018-ED-0003, styled City of San Antonio, acting by and through the San Antonio Water System, Condemnor, v. JFMKS Holdings, LLC; in the Probate Court No. 1, Bexar County, Texas, to acquire the Easement from the Owner; and

WHEREAS, on June 29, 2018, the Special Commissioners in the above captioned case rendered a damage award of $65,000.00 (the “Award”) attached hereto as Attachment II; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) authorize the expenditure and availability from the Project Fund in the amount of $65,000.00,
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the expenditure from the Project Fund in the amount of $65,000.00, being the amount of the Award, is hereby made available and authorized.

2. That the amount of the Award, is hereby authorized to be deposited into the Registry of the Court in order for the System to obtain possession of the Easement.

3. That the System’s Legal Counsel is hereby authorized to continue to prosecute the litigation, and to take any necessary or advisable action in connection therewith.

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

5. If any part, section, paragraph, sentence, phrase, 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 7th day of August, 2018.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Patricia E. Merritt, Assistant Secretary

Attachments:
I  Legal description of Easement
II  Special Commissioners Award
FIELD NOTES
For a 0.511 Acre (22,263 square feet)
(Temporary Construction Easement)

BEING A 0.511 OF AN ACRE (22,263 SQ. FT.), TRACT OF LAND, OUT OF LOT 25, BLOCK 5, NEW CITY BLOCK 14326 OF THE ESTATES OF MARYMONT, RECORDED IN VOLUME 9518, PAGES 144-145 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS AND CONVEYED IN VOLUME 15548, PAGES 888-890 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS AND BEING OUT OF THE ANTONIO PEREZ SURVEY, ABSTRACT NO. 10, COUNTY BLOCK 5013, BEXAR COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Beginning at a found ½" iron rod for the southeast corner of said Lot 5, Block 5, in the north line of Lot 10, Block 5, New City Block 13569 of the Northeast Baptist Hospital Subdivision, Unit 2, recorded in Volume 9561, Page 171 of the Deed and Plat Records of Bexar County, Texas, for the southwest corner of Lot 8, Block 5, New City Block 13569 of the N.E. Baptist Hospital Subdivision as recorded in Volume 9524 Page 62 of the Deed and Plat Records of Bexar County, Texas, for the southeast corner of the herein described tract:

(1) Thence, S.89°51'09"W., 55.02 feet, along the south line of said Lot 25, Block 5, and north line of said Lot 10, Block 5, to a point on the east line of a 50 foot wide sanitary sewer easement designated E-915, recorded in Volume 6915 Pages 117-121 of the Deed Records of Bexar County, Texas, for the northwest corner of the herein described tract;

(2) Thence, N.00°31'35"W., 240.00 feet, leaving the north line of said Lot 10, Block 5 and crossing said Lot 25, Block 5, along the east line of said 50 foot wide sanitary sewer easement, to an angle point of the herein described tract;

(3) Thence, N.07°27'25"E., 94.45 feet, continuing across said Lot 25, Block 5, along the east line of said 50 foot wide sanitary sewer easement, to a point on the north line of said Lot 25, Block 5, and the south line of Lot 24, Block 5, of The Estates of Marymont, for the northwest corner of the herein described tract;

(4) Thence, S.85°31'53"E., 70.33 feet, leaving the east line of said 50 foot wide sanitary sewer easement along the north line of said Lot 25, Block 5, and the south line of said Lot 24, Block 5, to a point for the northeast corner of said Lot 25, Block 5 and the southeast corner of said Lot 24, Block 5, in the west line of Lot 3, Block 5, of Marymont Subdivision Unit 9 recorded in Volume 6100 Page 12 of the Deed and Plat Records of Bexar County, Texas, for the northeast corner of the herein described tract;
(5) Thence, S.04°36'53"W., 329.09 feet, with the east line of said Lot 25, Block 5 and the west line of said Lot 3, Block 5 and the west line of said Lot 8, Block 5, to the POINT OF BEGINNING and containing 0.511 of an acre (22,263 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.

[Signature]

Victor Mendez, Jr., RPLS 6056
CAUSE NO. 2018ED0003

CITY OF SAN ANTONIO, TEXAS, acting by and through the SAN ANTONIO WATER SYSTEM, Condemnor,

v.

JFMKS HOLDINGS LLC, a Texas limited liability company, Condemnee.

IN THE PROBATE COURT NO. 1

BEXAR COUNTY, TEXAS

CONDEMNATION PROCEEDING

AWARD OF SPECIAL COMMISSIONERS

On this 29th day of June 2018, at the Paul Elizondo Tower, 101 Nueva, Room 204, San Antonio, Texas 78205, the above-styled cause came on to be heard before the undersigned, three disinterested real property owners residing in Bexar County, Texas, heretofore appointed as Special Commissioners by the Judge of the Probate Court No. 1 of Bexar County, Texas, to assess just compensation in this condemnation proceeding, and came Condemnor, City of San Antonio, Texas, acting by and through the San Antonio Water System, ("SAWS" or "Condemnor") represented by counsel, having announced ready, and Condemnee, JFMKS Holdings LLC, a Texas limited liability company,

☐ not appearing

☐ having appeared in person

☒ having appeared represented by counsel, announcing ready;

the Commissioners proceeded to hear evidence and arguments of the parties and made the following findings:
I.

That on April 4, 2018, SAWS filed its Original Petition in Condemnation and, upon the facts and for the purposes stated therein, SAWS seeks to condemn certain property interests in and to property situated in Bexar County, Texas, as described in SAWS’ Original Petition in Condemnation, which is attached hereto as Exhibit “A,” and incorporated herein for all purposes.

II.

That the Judge of Probate Court No. 1 of Bexar County, Texas, did appoint Howard Hasting, Jr., Richard Ihfe, and Patrick Pape, three disinterested real property owners residing in Bexar County, Texas, as Special Commissioners to assess the damages caused by the condemnation of said property and property rights.

III.

That the Special Commissioners are duly qualified as such, each having taken the oath, prescribed by law, to assess damages fairly, impartially, and according to the law.

IV.

That the Special Commissioners designated and appointed June 29, 2018, at 9:00 a.m., at the Paul Elizondo Tower, 101 Nueva, Room 204, San Antonio, Texas 78205, as the date and place for hearing SAWS’ Original Petition in Condemnation.

V.

That the Special Commissioners issued written notice of such date, time and place of the hearing, and Condemnee received notice of the hearing.

VI.

That on June 29, 2018, at 9:00 a.m., the Special Commissioners did convene at the Paul Elizondo Tower, 101 Nueva, Room 204, San Antonio, Texas 78205, along with the parties and interested persons as noted herein, and the Special Commissioners proceeded to hear evidence as
to the just compensation that will be paid to the owner by reason of the condemnation of the property and, after hearing and considering such evidence, the Special Commissioners did find and determine and accordingly assess adequate compensation to be paid by Condemnor for this condemnation according to the rules of just compensation as set forth in Tex. Prop. Code Ann. § 21.042 in the total amount of Sixty-Five Thousand and No/100 Dollars ($65,000.00) to Condemnee, as its interest may appear.

The costs of this proceeding are adjudged against SAWS.

Rendered this 29th day of June 2018.

Howard Hasting Jr.
Richard Ihfe
Patrick Pape

SPECIAL COMMISSIONERS

The costs which have accrued to date are as follows:

Fees due Special Commissioners as set by the Court.

No. of Hours: 8.5 $1000 to Howard Hasting Jr.
No. of Hours: 10.0 $1000 to Richard Ihfe.
No. of Hours: 8.5 $1000 to Patrick Pape.
The foregoing decision and Award was filed with me this 5th day of July, 2018.

PRESIDING JUDGE

CLERK OF THE COURT: COPIES OF THE NOTICE OF EMINENT DOMAIN AWARD SHOULD BE MAILED BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED TO THE FOLLOWING:

City of San Antonio, Texas, acting by and through the San Antonio Water System (SAWS)
c/o Jack Ross
Chris Hill
Ross Molina Oliveros, P.C.
4118 Pond Hill Road, Ste. 100
San Antonio, Texas 78231
Attorney for Condemnor

JFMKS Holdings, LLC
c/o Allen Cazier
1250 N.E. Loop 410, Ste. 725
San Antonio, Texas 78209
Attorney for Condemnee
2018ED0003

CAUSE NO. ____________________________

CITY OF SAN ANTONIO, TEXAS, acting by and through the SAN ANTONIO WATER SYSTEM, §

v. §

JFMKS HOLDINGS LLC, §
a Texas limited liability company; §

Condemnee. §

BEXAR COUNTY, TEXAS

IN THE PROBATE COURT NO. ______

CONDEMNOR'S ORIGINAL PETITION FOR CONDEMNATION

Condemnor, City of San Antonio, Texas, acting by and through the San Antonio Water System ("SAWS" or "Condemnor"), files this Original Petition in Condemnation to acquire through its power of eminent domain a temporary construction easement over, across and upon certain hereinafter-described real property in Bexar County, Texas (the "Property") and would respectfully show the Court the following:

Discovery Control Plan

1. Discovery is intended to be conducted pursuant to Rule 190.4 (Level 3) of the Texas Rules of Civil Procedure upon completion of the administrative phase of this case.

II. Jurisdiction and Venue

2. This is a proceeding in eminent domain pursuant to Chapter 21 of the Texas Property Code. Pursuant to § 25.0173 of the Texas Government Code, jurisdiction for such matters lies with the Probate Courts of Bexar County. Venue is proper pursuant to § 21.013 of the Texas Property Code because the Property is located wholly within Bexar County, Texas.
III. Parties

3. Condemnor is the City of San Antonio, acting by and through its wholly-owned utility, the San Antonio Water System. The City of San Antonio is a Texas municipal corporation and home-rule city pursuant to the Constitution and the laws of the State of Texas. Pursuant to Chapter 251 of the Texas Local Government Code, the City may exercise the power of eminent domain for a public use to acquire public or private property to provide, enlarge or improve a sewage system, including sewage collection, drainage, treatment, disposal, and emptying facilities. The City of San Antonio consolidated all of its water, wastewater and water reuse systems, functions and activities into one entity known as the San Antonio Water System. SAWS’s principal offices are located at 2800 NE Hwy 281 North, San Antonio, Texas 78298-2449.

4. The owners or persons or entities having or claiming other legal, equitable or security interests in and to the Property, are as follows (“Condemnee” herein, whether one or more):

   a. JFMSS Holdings, LLC, a Texas limited liability company, which may be served with notice of hearing/process through its registered agent, Gloria Saldana, at 4801 Broadway, San Antonio, Texas 78209, or wherever she may be found. Pursuant to Tex. Property Code Section 21.016, notice of hearing/process may alternatively be served on Condemnee’s attorney of record, Allen Cazier, at 1250 N.E. Loop 410, Suite 725, San Antonio, Texas 78209, or wherever he may be found.

5. Condemnor reserves the right to add the name or names of any additional parties who may subsequently appear to possess an interest in the Property.

IV. Public Use and Necessity

6. The City Council of the City of San Antonio has found and determined that a public use and necessity exists for the expansion and operation of the SAWS system through the
E-19: Seguin Road to Nacogdoches Road Project, Segment 2 (the “Project”), which involves the upsizing and replacement of sanitary sewer facilities to address condition issues and increase capacity for future development. The City Council of the City of San Antonio has further determined that to advance and achieve such public use, it is necessary for SAWS to acquire temporary construction easements over, across and upon certain properties affected by the Project, including the Property, and that the acquisition of such easements for the Project is a public necessity for the public use of SAWS.

7. Accordingly, the City Council of the City of San Antonio, at a duly-noticed public meeting by a record vote, authorized SAWS to acquire such easement, including the easement made the subject of this proceeding, by negotiation and/or condemnation.

V. Property Rights Sought

8. Using its power of eminent domain pursuant to Chapter 251 of the Texas Local Government Code and in accordance with Chapter 21 of the Texas Property Code and all other applicable laws, Condemnor seeks to acquire a temporary construction easement over, across, and upon a certain part of the Property (the “Temporary Easement”) for construction, storage and staging of materials and/or equipment needed to construct, reconstruct, realign, inspect, patrol, maintain, operate, repair, and, remove and replace existing sewer pipeline facilities and appurtenances thereto (collectively the “Existing Facilities”) located on the Property. The Temporary Easement and the Property are more particularly depicted and described on Exhibit A, attached hereto and incorporated herein for all purposes.

9. Within and related to the Temporary Easement, Condemnor seeks the right to use the Temporary Easement for any and all things necessary for the construction, reconstruction,
realignement, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of the Existing Facilities.

10. The Temporary Easement is for the use and benefit of Condemnor as described herein, together with all necessary appurtenances over, under, across, in, upon and through the Temporary Easement.

11. The Temporary Easement shall terminate and all rights and interests Condemnor has in same shall revert to Condemnee upon the completion of construction of the Project or two years after the filing of this Petition, whichever is earlier.

12. Condemnor seeks the rights and benefits necessary for the full enjoyment and use of the rights described herein, together with the right of ingress and egress over the Temporary Easement for the purpose of constructing, reconstructing, realigning, inspecting, patrolling, maintaining, operating, repairing, adding, removing and/or replacing the Existing Facilities; and the right to remove from the Temporary Easement obstructions which might interfere with the exercise of the rights granted herein, including all trees and parts thereof, save and except any “heritage” tree as defined in the City of San Antonio Tree Ordinance (San Antonio Uniform Development Code, Sec 35-523), provided, however, that SAWS may trim/prune heritage trees as may be reasonably necessary in accordance with the provisions of said Tree Ordinance to facilitate the construction of the Existing Facilities.

13. Following construction of the Project, Condemnor shall restore the Temporary Easement to its former condition as near as reasonably practicable.

VI.
Rights Retained by Condemnee

14. Condemnee shall have and reserve the right to use all or any part of the Temporary Easement for any purpose that does not damage, destroy, injure and/or interfere with
Condemnor's use of the Temporary Easement for the purposes for which the Temporary Easement is being sought herein. No building or structure of any kind is to be permitted within the Temporary Easement while the Temporary Easement is in effect.

15. There shall be reserved to Condemnee and others, as applicable, all the oil, gas and other minerals in, on and under the Temporary Easement; provided, however, that Condemnee shall not be permitted to drill or operate equipment for the production of minerals on the Temporary Easement while same is in effect, but will be permitted to extract the oil, gas and other minerals from and under the Temporary Easement by directional drilling and other means so long as Condemnor's use of the Temporary Easement is not disturbed.

16. As stated in § 21.023 of the Texas Property Code, Condemnee or Condemnee's heirs, successors, or assigns may be entitled to (1) repurchase the Property pursuant to Subchapter E of Chapter 21 of the Texas Property Code, or (2) request from Condemnor certain information relating to the use of the Temporary Easement and any actual progress made toward that use. Should Condemnee repurchase the Temporary Easement pursuant to Subchapter E of Chapter 21 of the Texas Property Code, the repurchase price will be the price paid to Condemnee by Condemnor at the time Condemnor acquired the Temporary Easement through eminent domain.

VII.

Negotiations

17. Condemnor provided a landowner's bill of rights statement to Condemnee as required by § 21.0112 of the Texas Property Code. Condemnor also made a bona fide offer to acquire the property rights referenced herein from Condemnee voluntarily, as provided in § 21.0113 of the Texas Property Code. Condemnee did not accept the bona fide offer made by
Condemnor. Therefore, Condemnor and Condemnee are unable to agree on damages, and
further negotiations with Condemnee would have been futile.

19. Accordingly, all conditions precedent to instituting this condemnation proceeding
have occurred or have been performed.

VIII.
Prayer for Relief

WHEREFORE, PREMISES CONSIDERED, Condemnor prays:

1. That three disinterested real property owners residing in Bexar County, Texas be
appointed as Special Commissioners to assess the damages, if any, to
Condemnee's property interest, as required by law;

2. That two disinterested real property owners residing in Bexar County, Texas be
appointed as Alternate Special Commissioners who, upon the unavailability of
any Special Commissioner, whether due to being struck or otherwise, shall, in the
order in which such Alternate Special Commissioners are appointed, take the
place and perform the duties of an unavailable Special Commissioner;

3. That the Court specify in the order appointing Special Commissioners that the
reasonable period during which a party may strike one (1) of the Special
Commissioners is fourteen (14) calendar days after appointment;

4. That the Special Commissioners so appointed set a date and time for hearing;

5. That Condemnee be notified of the hearing in writing;

6. That a copy of the hearing, the Special Commissioners assess the value of the property
interests belonging to Condemnee that are sought to be condemned, and assess
damages, if any, to Condemnee's land by the acquisition and use of the property
rights;

7. That the Court enter judgment vesting in Condemnor, its successors and assigns,
the aforesaid property rights;

8. That upon payment into the Registry of the Court of the amount awarded by the
Special Commissioners, Condemnor have a Writ of Possession issued on its
behalf and any other process necessary to enforce the judgment of condemnation,
if necessary and as provided by law;

9. That Condemnor recover its costs of these proceedings; and
FIELD NOTES
For a 0.511 Acre (22,263 square feet)
(Temporary Construction Easement)

BEING A 0.511 OF AN ACRE (22,263 SQ. FT.), TRACT OF LAND, OUT OF LOT 25, BLOCK 5, NEW CITY BLOCK 14326 OF THE ESTATES OF MARYMONT, RECORDED IN VOLUME 9518, PAGES 144-145 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS AND CONVEYED IN VOLUME 15548, PAGES 888-890 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS AND BEING OUT OF THE ANTONIO PEREZ SURVEY, ABSTRACT NO. 15, COUNTY BLOCK 5013, BEXAR COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Beginning at a found ½" iron rod for the southeast corner of said Lot 25, Block 5, in the north line of Lot 10, Block 5, New City Block 13569 of the Northeast Baptist Hospital Subdivision, Unit 2, recorded in Volume 9561, Page 171 of the Deed and Plat Records of Bexar County, Texas, for the southwest corner of Lot 8, Block 5, New City Block 13569 of the N.B. Baptist Hospital Subdivision as recorded in Volume 9524 Page 62 of the Deed and Plat Records of Bexar County, Texas, for the southeast corner of the herein described tract,

(1) Thence, S.89°51'09"W., 55.09 feet, along the south line of said Lot 25, Block 5, and north line of said Lot 10, Block 5, to a point on the east line of a 50 foot wide sanitary sewer easement designated E-175, recorded in Volume 6915 Pages 117-121 of the Deed Records of Bexar County, Texas, for the northeast corner of the herein described tract;

(2) Thence, N.00°22'45"W., 261.00 feet, leaving the north line of said Lot 10, Block 5 and crossing said Lot 25, Block 5, along the east line of said 50 foot wide sanitary sewer easement, to an angle point of the herein described tract;

(3) Thence, N.07°28'05"E., 24.45 feet, continuing across said Lot 25, Block 5, along the east line of said 50 foot wide sanitary sewer easement, to a point on the north line of said Lot 25, Block 5, and the south line of Lot 24, Block 5, of The Estates of Marymont, for the northwest corner of the herein described tract;

(4) Thence, S.85°31'53"E., 70.33 feet, leaving the east line of said 50 foot wide sanitary sewer easement along the north line of said Lot 25, Block 5, and the south line of said Lot 24, Block 5, to a point for the northeast corner of said Lot 25, Block 5 and the southeast corner of said Lot 24, Block 5, in the west line of Lot 3, Block 5, of Marymont Subdivision Unit 9 recorded in Volume 6100 Page 12 of the Deed and Plat Records of Bexar County, Texas, for the northeast corner of the herein described tract;
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: AUTHORIZATION TO PURCHASE TWO PERMANENT EASEMENTS, TWO TEMPORARY CONSTRUCTION EASEMENTS AND AN ACCESS AREA RIGHT OF ENTRY FOR THE CENTRAL WATER INTEGRATION PIPELINE PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of two permanent easements (being one permanent water line easement and one permanent water and sewer line easement) containing approximately 1.469 acres in the aggregate, two temporary construction easements containing approximately 1.274 acres in the aggregate (collectively, the “Easements”), and a 0.092 acre access area right of entry (the “Access Area”) for the Central Water Integration Pipeline Project (the “Project”). It also authorizes the expenditure of $421,219.00 for the Easements and Access Area.

- San Antonio Water System (“SAWS”) has entered into the Water Transmission and Purchase Agreement with Vista Ridge, LLC to provide and deliver an alternate water supply to the System through the Vista Ridge Regional Supply Project. The Project will deliver water from the Vista Ridge Regional Supply Project to integration points within the distribution system.

- The Project consists of approximately 15 miles of new and existing transmission main beginning at the pump station to be located at the Vista Ridge terminus facility in north-central Bexar County to the Basin Pump Station with intermediate drop-off points at Bitters and Maltsberger Pump Stations.

- The property on which the Easements and Access Area are located is owned by Dague Ranch Limited Partnership (the “Owner”).

- SAWS obtained an appraisal from Eckmann Groll, Inc. dated July 11, 2018 which indicated an opinion of value for the Easements and Access Area at $419,300.00. SAWS and the Owner have agreed on a purchase amount of $421,219.00 for the Easements and Access Area.
Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will incur acquisition costs and possible legal fees associated with the acquisition of the land rights necessary for this Project. Funding for these land rights are found in the CY 2016 Capital Improvement Program. The project work is included in the Water Delivery Core Business, Central Water Integration Pipeline Project budget line.

The total amount is $421,219.00 for the acquisition of the Easements and Access Area.

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 APPROVING THE ACQUISITION OF TWO PERMANENT EASEMENTS BEING APPROXIMATELY 1.469 ACRES IN THE AGGREGATE, TWO TEMPORARY CONSTRUCTION EASEMENTS BEING APPROXIMATELY 1.274 ACRES IN THE AGGREGATE (COLLECTIVELY, THE “EASEMENTS”), AND A 0.092 ACRE ACCESS AREA RIGHT OF ENTRY (THE “ACCESS AREA”) FROM DAGUE RANCH LIMITED PARTNERSHIP, SAID EASEMENTS AND ACCESS AREA BEING LOCATED NEAR THE NORTHWEST CORNER OF HARDY OAK AND HUEBNER ROAD, IN THE NORTHEAST QUADRANT OF BEXAR COUNTY, TEXAS, FOR THE CENTRAL WATER INTEGRATION PIPELINE PROJECT (THE “PROJECT”) IN AN AMOUNT NOT TO EXCEED $421,219.00; AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE NECESSARY DOCUMENTS TO FACILITATE THE CONVEYANCE OF THE EASEMENTS AND ACCESS AREA; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the System has determined that acquisition of the Easements and Access Area, being depicted in Attachment I and more particularly described in Attachment II, both attached hereto and incorporated herein for all purposes, is necessary for the Project; and

WHEREAS, the property on which the Easements and Access Area are located is owned by Dague Ranch Limited Partnership (the “Owner”); and

WHEREAS, the Owner has agreed to convey the Easements and Access Area to the System for the sum of $421,219.00; and

WHEREAS, funds in an amount not to exceed $421,219.00 are available in the Project Fund for the purchase of the Easements and Access Area; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the acquisition of the Easements and Access Area for the Project, (ii) authorize the expenditure of funds in an amount not to exceed $421,219.00 for the acquisition of the Easements and Access Area and (iii) authorize the President/Chief Executive Officer or his duly authorized designee to execute any documents necessary for acquisition of the Easements and Access Area, and; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the acquisition of the Easements and Access Area for the Project, in substantially the form attached hereto as Attachment II, is hereby approved.

2. That the expenditure from the Project Fund in the CY 2016 Capital Improvement Program, Water Delivery Core Business, Central Water Integration Pipeline Project budget line item in a total amount not to exceed $421,219.00 for the acquisition of the Easements and Access Area, is hereby approved, made available and is to be expended from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the acquisition of the Easements and Access Area and to pay an amount not to exceed $421,219.00 to the Owner (or any other party shown on a title report or commitment as having an interest in the real property) for the acquisition of the Easements and Access Area.

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 7th day of August, 2018.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Patricia E. Merritt, Assistant Secretary

Attachments:
I   Aerial Map
II  Easements and Access Area documents
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSfers AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

PERMANENT EASEMENT - WATER AND SEWER

STATE OF TEXAS

COUNTY OF BEXAR

THAT, DAGUE RANCH LIMITED PARTNERSHIP, a Texas limited partnership, hereinafter referred to as “Grantor”, whether one or more, for and in consideration in the amount of Ten Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, to Grantor in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has given, granted, sold, conveyed, and dedicated, and by these presents, does give, grant, sell, convey, and dedicate unto the CITY OF SAN ANTONIO, a Texas Municipal Corporation, for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992, and subject to the terms and provisions of said ordinance, an easement to construct, reconstruct, realign, inspect, patrol, maintain, operate, repair, add, remove and replace underground water and sewer lines and related underground and at-grade facilities and appurtenances thereto, in, on, over and through the lands located in Bexar County, Texas as follows:

Being 1.216 of an acre, or 52,983 square feet more or less, easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas, and being more particularly described and depicted in Exhibits A and B attached hereto and made a part hereof (the “Easement Area”);

For the purpose of using said Easement Area for any and all things necessary for the construction, reconstruction, realignment, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of the underground lines and related underground and at-grade facilities and appurtenances to be placed within the above described permanent Easement Area. The easement is limited to underground water and sewer lines and pipes and certain related at-grade facilities, and Grantee shall not construct or install any buildings or structures within the Easement Area. The Grantee expressly agrees that it will remove from said land all surplus material and will, except for the presence of any at-grade and underground facilities and appurtenances constructed by Grantee, cause said land to be left as nearly as possible in the condition as it existed prior to the construction of said improvements.
Together with the right of ingress and egress over said Easement Area for the purpose of constructing, reconstructing, realigning inspecting, patrolling, maintaining, operating, repairing, adding and removing said lines, facilities and appurtenances; the right to relocate said lines, facilities and appurtenances within said Easement Area; the right to remove from the Easement Area all trees and parts thereof, or other obstructions, which may interfere with the exercise of the rights granted hereunder; and the right of exercise of all other rights hereby granted; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that (i) no building or structure of any kind will be placed on said Easement Area and that Grantee shall have the right to remove (at Grantor’s expense) any building or structure placed on said Easement Area and (ii) Grantor will not change, or cause to be changed, the grade of the Easement Area, by fill or excavation, by more than two (2) feet without the prior written consent of Grantee, and that the removal and/or correction of such grade change made without Grantee’s consent shall be at Grantor expense. Notwithstanding the foregoing, Grantor shall have the right to construct and maintain the following on the Easement Area: driveways and roadways.

The easement created herein is made and accepted by the parties hereto subject to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights-of-way and easements presently of record or visible on the ground that a true and correct survey would disclose (collectively, the “Exceptions”).

The water and sewer lines and facilities shall be maintained by Grantee at Grantee’s sole cost and expense. Grantor shall have no obligation in connection with the use of the Easement Area by Grantee or its agents, contractors, invitees and employees.

Subject to Grantee’s rights to remove trees and other obstructions in the Easement Area as expressly set forth in this instrument, in the event Grantee damages, injures or destroys the surface of the Easement Area, then Grantee shall promptly (or, in the case of damage, injury or destruction occurring during initial construction promptly following initial construction) repair and restore the surface to as good as or a better condition than the same was in immediately prior to such damage, injury or destruction; this shall include restoration of any paved or gravel roadways existing within the Easement Area. This paragraph shall survive abandonment hereof.

Grantor has executed and delivered this easement, and Grantee has received and accepted this easement and the Easement Area, AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH IN THIS INSTRUMENT. BY ACCEPTING AND/OR RECORDING THIS INSTRUMENT, GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) CONCERNING (A) THE PHYSICAL CONDITION OR SOIL CONDITIONS OF ANY PART OF THE EASEMENT AREA DESCRIBED HERIN, (B) THE PRESENCE OR CONDITION OF ANY HAZARDOUS MATERIALS, WETLANDS AND/OR ANY OTHER ENVIRONMENTAL MATTERS RELATING TO SUCH PROPERTY, (C) ANY DEVELOPMENT, ZONING OR LEGAL REQUIREMENTS APPLICABLE TO THE EASEMENT AREA, OR (D) THE VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE EASEMENT AREA OR ANY PART THEREOF. THE ACKNOWLEDGMENTS AND AGREEMENTS CONTAINED IN THIS PARAGRAPH SHALL BE BINDING UPON GRANTEE AND GRANTEE’S
SUCCESSEES AND ASSIGNS AND SHALL INURE TO THE BENEFIT OF GRANTOR AND ITS SUCCESSEES AND ASSIGNS.

Grantee shall not cause the Easement Area or Grantor to be in violation of, or do anything or permit anything to be done by Grantee or its contractors, subcontractors, agents or employees which will subject the Easement Area or Grantor to any remedial obligations under any applicable laws pertaining to health or the environment.

Grantee shall comply at all times and at its sole cost and expense with all applicable federal, state and local laws, rules, regulations and safety and environmental standards in connection with the use and enjoyment of the easement by Grantee and its agents, contractors, invitees and employees.

Grantee is not, and shall not be construed as, Grantor’s agent in contracting for any improvements in the Easement Area and shall not have any authority to pledge, mortgage, hypothecate or otherwise encumber any interest in the Easement Area or any other property of Grantor.

The easement is non-exclusive and Grantor reserves the right to grant further easements and rights of way over, across and through the Easement Area, so long as the same do not materially interfere with the rights of Grantee to the easement. Grantor reserves to itself and its successors and assigns all rights in and to the Easement Area which are not inconsistent with the easement granted to Grantee and the terms of this instrument.

In the event of any interference or threatened interference with Grantor’s rights reserved herein, such rights may be enforced, to the extent allowed by law, by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until the use of said easement shall be abandoned, subject to the Exceptions and other matters set forth herein.

And, subject to the Exceptions and other matters set forth herein, Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

This Easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
EXECUTED effective this ____ day of ____________, 2018

GRANTOR:

DAGUE RANCH LIMITED PARTNERSHIP,  
a Texas limited partnership

By: Dague Ranch Management, LLC,  
its General Partner

By: ________________________________________  
Darlene S. Dague, President

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on this ______ day of ____________, 2018, by Darlene S. Dague, President of Dague Ranch Management, LLC, a Texas limited liability company, General Partner of Dague Ranch Limited Partnership, a Texas limited partnership.

__________________________________________
Notary Public
FIELD NOTES
for a 1.216 Acre (52,983 square foot)
(Variable Width Permanent Sewer and Water Easement)

A 1.216 of an acre, or 52,983 square feet more or less, easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas, in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas. Said 1.216 of an acre easement being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a found at found nail at the southwest corner of said 150.256 acre tract, at the southeast corner of Lot 58, Block 4, Hills of Stone Oak Unit-2 Subdivision recorded in Volume 9510, Pages 22-24 of the Deed and Plat Records of Bexar County, Texas and on the north right-of-way line of Huebner Road, a 110-foot public right-of-way dedicated to Stone Oak High School Unit 1 Subdivision recorded in Volume 9536, Page 02 of the Deed and Plat Records of Bexar County, Texas;

THENCE: N 16°42'27" E, departing the north right-of-way line of said Huebner Road, with the west line of said 150.256 acre tract and the east line of said Hills of Stone Oak Unit-2 Subdivision, a distance of 826.18 feet to a found ½" iron rod at the southeast corner of Lot 4, Block 4, Hills of Stone Oak Unit-1 Subdivision recorded in Volume 508, Page 58-60 of the Deed and Plat Records of Bexar County, Texas;

THENCE: N 16°43'23" E, continuing with the west line of said 150.256 acre tract and the east line of said Hills of Stone Oak Unit-1 Subdivision, a distance of 814.20 feet to the POINT OF BEGINNING of herein described easement;

THENCE: N 16°43'23" E, continuing with said line, a distance of 50.00 feet to a point;

THENCE: S 73°18'00" E, departing the east line of said Hills of Stone Oak Unit-1 Subdivision, over and across said 15.256 acre tract, a distance of 311.64 feet to a point on the southwest line of Lot 1, Block 57, Knights Cross Elementary School recorded in Volume 9624, Page 94 of the Deed and Plat Records of Bexar County, Texas;

THENCE: With the southwest line of said Lot 1, the following bearings and distances:
S 37°47'11" E, a distance of 390.72 feet to a point;
S 11°06'44" E, a distance of 203.88 feet to a point at the southwest corner of said 30.787 acre tract and the northwest corner of a 26.009 acre tract conveyed to Central Texas Regional Water Supply Corporation by deed recorded in Volume 18184, Page 1226 of the Official Public Records of Real Property of Bexar County, Texas;

THENCE:  S 01°51'31" E, with the west line of said 26.009 acre tract, a distance of 179.77 feet to a point;

THENCE:  Departing the west line of said 26.009 acre tract, over and across said 150.256 acre tract, the following bearings and distances:

N 64°48'50" W, a distance of 86.72 feet to a point;
N 25°11'10" E, a distance of 59.90 feet to a point;
N 01°51'31" W, a distance of 82.94 feet to a point;
N 11°06'44" W, a distance of 187.98 feet to a point;
N 37°47'11" W, a distance of 362.86 feet to a point;
N 73°18'00" W, a distance of 295.65 feet to the POINT OF BEGINNING, and containing 1.216 of an acre in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey prepared under job number 7117-09 by Pape-Dawson Engineers, Inc.
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

PERMANENT EASEMENT - WATER

STATE OF TEXAS

COUNTY OF BEXAR

THAT, DAGUE RANCH LIMITED PARTNERSHIP, a Texas limited partnership, hereinafter referred to as “Grantor”, whether one or more, for and in consideration in the amount of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to Grantor in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has given, granted, sold, conveyed, and dedicated, and by these presents, does give, grant, sell, convey, and dedicate unto the CITY OF SAN ANTONIO, a Texas Municipal Corporation, for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992, and subject to the terms and provisions of said ordinance, an easement to construct, reconstruct, realign, inspect, patrol, maintain, operate, repair, add, remove and replace underground water lines and related underground and at-grade facilities and appurtenances thereto, in, on, over and through the lands located in Bexar County, Texas as follows:

Being 0.253 of an acre, or 11,034 square feet more or less, easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas, and being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof (the “Easement Area”);

For the purpose of using said Easement Area for any and all things necessary for the construction, reconstruction, realignment, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of the underground lines and related underground and at-grade facilities and appurtenances to be placed within the above described permanent Easement Area. The easement is limited to underground water lines and pipes and certain related at-grade facilities, and Grantee shall not construct or install any buildings or structures within the Easement Area. The Grantee expressly agrees that it will remove from said land all surplus material and will, except for the presence of any at-grade and underground facilities and appurtenances constructed by Grantee, cause said land to be left as nearly as possible in the condition as it existed prior to the construction of said improvements.
Together with the right of ingress and egress over said Easement Area for the purpose of constructing, reconstructing, realigning inspecting, patrolling, maintaining, operating, repairing, adding and removing said lines, facilities and appurtenances; the right to relocate said lines, facilities and appurtenances within said Easement Area; the right to remove from the Easement Area all trees and parts thereof, or other obstructions, which may interfere with the exercise of the rights granted hereunder; and the right of exercise of all other rights hereby granted; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that (i) no building or structure of any kind will be placed on said Easement Area and that Grantee shall have the right to remove (at Grantor’s expense) any building or structure placed on said Easement Area and (ii) Grantor will not change, or cause to be changed, the grade of the Easement Area, by fill or excavation, by more than two (2) feet without the prior written consent of Grantee, and that the removal and/or correction of such grade change made without Grantee’s consent shall be at Grantor expense. Notwithstanding the foregoing, Grantor shall have the right to construct and maintain the following on the Easement Area: driveways and roadways.

The easement created herein is made and accepted by the parties hereto subject to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights-of-way and easements presently of record or visible on the ground that a true and correct survey would disclose (collectively, the “Exceptions”).

The water lines and facilities shall be maintained by Grantee at Grantee’s sole cost and expense. Grantor shall have no obligation in connection with the use of the Easement Area by Grantee or its agents, contractors, invitees and employees.

Subject to Grantee’s rights to remove trees and other obstructions in the Easement Area as expressly set forth in this instrument, in the event Grantee damages, injures or destroys the surface of the Easement Area, then Grantee shall promptly (or, in the case of damage, injury or destruction occurring during initial construction promptly following initial construction) repair and restore the surface to as good as or a better condition than the same was in immediately prior to such damage, injury or destruction; this shall include restoration of any paved or gravel roadways existing within the Easement Area. This paragraph shall survive abandonment hereof.

Grantor has executed and delivered this easement, and Grantee has received and accepted this easement and the Easement Area, AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH IN THIS INSTRUMENT. BY ACCEPTING AND/OR RECORDING THIS INSTRUMENT, GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) CONCERNING (A) THE PHYSICAL CONDITION OR SOIL CONDITIONS OF ANY PART OF THE EASEMENT AREA DESCRIBED HEREIN, (B) THE PRESENCE OR CONDITION OF ANY HAZARDOUS MATERIALS, WETLANDS AND/OR ANY OTHER ENVIRONMENTAL MATTERS RELATING TO SUCH PROPERTY, (C) ANY DEVELOPMENT, ZONING OR LEGAL REQUIREMENTS APPLICABLE TO THE EASEMENT AREA, OR (D) THE VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE EASEMENT AREA OR ANY PART THEREOF. THE ACKNOWLEDGMENTS AND AGREEMENTS CONTAINED IN THIS PARAGRAPH SHALL BE BINDING UPON GRANTEE AND GRANTEE’S
Grantee shall not cause the Easement Area or Grantor to be in violation of, or do anything or permit anything to be done by Grantee or its contractors, subcontractors, agents or employees which will subject the Easement Area or Grantor to any remedial obligations under any applicable laws pertaining to health or the environment.

Grantee shall comply at all times and at its sole cost and expense with all applicable federal, state and local laws, rules, regulations and safety and environmental standards in connection with the use and enjoyment of the easement by Grantee and its agents, contractors, invitees and employees.

Grantee is not, and shall not be construed as, Grantor’s agent in contracting for any improvements in the Easement Area and shall not have any authority to pledge, mortgage, hypothecate or otherwise encumber any interest in the Easement Area or any other property of Grantor.

The easement is non-exclusive and Grantor reserves the right to grant further easements and rights of way over, across and through the Easement Area, so long as the same do not materially interfere with the rights of Grantee to the easement. Grantor reserves to itself and its successors and assigns all rights in and to the Easement Area which are not inconsistent with the easement granted to Grantee and the terms of this instrument.

In the event of any interference or threatened interference with Grantor’s rights reserved herein, such rights may be enforced, to the extent allowed by law, by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until the use of said easement shall be abandoned, subject to the Exceptions and other matters set forth herein.

And, subject to the Exceptions and other matters set forth herein, Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

This Easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
EXECUTED effective this ___ day of ____________, 2018

GRANTOR:

DAGUE RANCH LIMITED PARTNERSHIP,
a Texas limited partnership

By: Dague Ranch Management, LLC,
its General Partner

By: ______________________________________
Darlene S. Dague, President

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this _______ day of ____________, 2018, by Darlene S. Dague, President of Dague Ranch Management, LLC, a Texas limited liability company, General Partner of Dague Ranch Limited Partnership, a Texas limited partnership.

__________________________________________
Notary Public
FIELD NOTES
for a 0.253 Acre (11,034 square foot)
(20-Foot Permanent Water Easement)

A 0.253 of an acre, or 11,034 square feet more or less easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas, in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas. Said 0.253 of an acre easement being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a found mag nail and washer marked “Pape-Dawson” at the southeast corner of Huebner Road, a 110-foot public right-of-way, dedicated in Stone Oak High School Unit 1 Subdivision, recorded in Volume 9534, Page 92 of the Deed and Plat Records of Bexar County, Texas, at the northwest corner of said 194.00 acre tract and at a north corner of Lot 2, Block 5, N.C.B. 17606, Keagan High School Subdivision recorded in Volume 9663, Page 60 of the Deed and Plat Records of Bexar County, Texas;

THENCE: S 78°37'53" E, with the south right-of-way line of said Huebner Road and the north line of said 19.400 acre tract, a distance of 1017.5 feet to a point;

THENCE: N 11°22'07" E, departing the north line of said 19.400 acre tract, over and across said Huebner Road, a distance of 110.00 feet to a point on the north right-of-way line of said Huebner Road and being the POINT OF BEGINNING of herein described easement;

THENCE: N 11°22'07" E, departing the north right-of-way line of said Huebner Road, over and across said 150.256 acre tract, a distance of 551.83 feet to a point on the south line of a 26.000 acre tract conveyed to Central Texas Regional Water Supply Corporation by deed recorded in Volume 13184, Page 1226 of the Official Public Records of Real Property of Bexar County, Texas;

THENCE: S 77°54'58" E, from said line, a distance of 20.00 feet to a point;

THENCE: S 11°22'07" W, departing the south line of said 26.009 acre tract, over and across said 150.258 acre tract, a distance of 551.58 feet to a point on the north right-of-way line of said Huebner Road;

THENCE: N 78°37'53" W, with said line, a distance of 20.00 feet to the POINT OF BEGINNING, and containing 0.253 of an acre in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with an exhibit prepared under job number 7117-09 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: October 31, 2017
JOB NO. 7117-09
DOC. ID. N:\CIVIL\7117-09\Word7117-09 ESWT 0.253 AC.docx
Exhibit "B"

The professional services provided hereunder include the preparation of a metes and bounds description.

2. The bearings are based on the Texas coordinate system established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) Epoch 2010.00.

20-FOOT PERMANENT WATER EASEMENT

0.253 OF AN ACRE
(11,034 SQUARE FEET MORE OR LESS)

26.009 ACRE TRACT
CENTRAL TEXAS REGIONAL WATER SUPPLY CORPORATION
(VOL. 18184, PG. 1226 OPR)

N11°22'07"W 551.58'

16' SANITARY SEWER EASEMENT 5B
(VOL. 18124, PG. 1314 OPR)

REMAINDER OF A 150.256 ACRE TRACT
DAUGE RANCH LTD PARTNERSHIP
(VOL. 14766, PG. 1410 OPR)

HUEBNER ROAD
110' PUBLIC RIGHT-OF-WAY

STATE OF TEXAS REGISTERED

DAVID A. CASANOVA
4251

PAPE-DAWSON ENGINEERS

DRAFT

REVISED NOVEMBER 27, 2017
OCTOBER 31, 2017

JOB No.: 7117-09
TEMPORARY CONSTRUCTION EASEMENT – WATER AND SEWER

STATE OF TEXAS §
COUNTY OF BEXAR §§

THAT, DAGUE RANCH LIMITED PARTNERSHIP, a Texas limited partnership, hereinafter referred to as "GRANTOR", for and in consideration in the amount of TEN DOLLARS ($10.00), and other valuable consideration the receipt and sufficiency of which is hereby acknowledged, to GRANTOR in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has GIVEN, GRANTED, SOLD, CONVEYED, and DEDICATED, and by these presents, does GIVE, GRANT, SELL, CONVEY, and DEDICATE unto the CITY OF SAN ANTONIO, a Municipal Corporation for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992 and subject to the terms and provisions of said ordinance, an easement over, across and upon the following described lands, for construction, storage and staging of materials and/or equipment for installation of water and sewer lines, facilities and appurtenances thereto:

Being 0.298 of an acre, or 12,975 square feet more or less, easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas, and being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof (the “Temporary Easement Area”);

For the purpose of using the said Temporary Easement Area for any and all things necessary for the construction of the aforesaid water and sewer lines, facilities and appurtenances. Grantee shall not construct or install any buildings or permanent structures within the Temporary Easement Area. In further consideration of this grant, said Grantee expressly agrees that it will remove from said Temporary Easement Area all surplus material and will cause said Temporary Easement Area to be left as nearly as possible in its condition as it existed prior to the construction of said improvements. The temporary construction easement shall expire at the earlier of (i) completion of construction of the aforesaid improvements, demobilization and restoration work or (ii) December 31, 2019.

Together with the right of ingress and egress over said Temporary Easement Area; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that, during the term of this temporary construction easement, no building or other obstruction of any
kind will be placed by or for Grantor or its legal representatives, successors and/or assigns, within said Temporary Easement Area.

The easement created herein is made and accepted by the parties hereto subject to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights-of-way and easements presently of record or visible on the ground that a true and correct survey would disclose (collectively, the “Exceptions”).

Grantee shall have no obligation in connection with the use of the Temporary Easement Area by Grantee or its agents, contractors, invitees and employees. In the event Grantee damages, injures or destroys the surface of the Temporary Easement Area, then Grantee, prior to the expiration of this easement, shall repair and restore the surface to as good or better condition that the same was in immediately prior to such damage, injury or destruction; this shall include restoration of any paved road or gravel roadways existing within the Temporary Easement Area. This paragraph shall survive the expiration of this easement.

Grantee shall not cause the Temporary Easement Area or Grantor to be in violation of, or do anything or permit anything to be done by Grantee or its contractors, subcontractors, agents or employees which will subject the Temporary Easement Area or Grantor to any remedial obligations under any applicable laws pertaining to health or the environment.

Grantee shall comply at all times and at its sole cost and expense with all applicable federal, state and local laws, rules, regulations and safety and environmental standards in connection with the use and enjoyment of the easement by Grantee and its agents, contractors, invitees and employees.

Grantee is not, and shall not be construed as, Grantor’s agent in contracting for any improvements in the Temporary Easement Area and shall not have any authority to pledge, mortgage, hypothecate or otherwise encumber any interest in the Temporary Easement Area or any other property of Grantor.
The easement is non-exclusive and Grantor reserves the right to grant further easements and rights of way over, across and through the Temporary Easement Area so long as the same do not materially interfere with the rights of Grantee to the easement. Grantor reserves to itself and its successors and assigns all rights in and to the Temporary Easement Area which are not inconsistent with the easement granted to Grantee and the terms of this instrument.

In the event of any interference or threatened interference with Grantor’s rights reserved herein, such rights may be enforced, to the extent allowed by law, by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until the expiration of this temporary construction easement according to its terms.

And, subject to the Exceptions and other matters set forth herein, Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

This easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Signature on following page
EXECUTED effective this ___________ day of _____________, 2018

DAGUE RANCH LIMITED PARTNERSHIP,
a Texas limited partnership

By: Dague Ranch Management, LLC,
its General Partner

By: ________________________________
Darlene S. Dague, President

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this ______ day of __________, 2018, by Darlene S. Dague, President of Dague Ranch Management, LLC, a Texas limited liability company, General Partner of Dague Ranch Limited Partnership, a Texas limited partnership.

_______________________________
Notary Public
METES AND BOUNDS DESCRIPTION
FOR
A VARIABLE WIDTH TEMPORARY CONSTRUCTION EASEMENT

A 0.298 of an acre, or 12,975 square feet more or less, easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas, in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas. Said 0.298 of an acre easement being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a found at found nail at the south west corner of said 150.256 acre tract, at the southeast corner of Lot 58, Block 4, Hills of Stone Oak Unit-2 Subdivision recorded in Volume 9510, Pages 22-24 of the Deed and Plat Records of Bexar County, Texas and on the north right-of-way line of Huebner Road, a 110-foot public right-of-way dedicated in Stone Oak High School Unit-1 Subdivision recorded in Volume 9536, Page 92 of the Deed and Plat Records of Bexar County, Texas;

THENCE: N 16°42'27" E, departing the north right-of-way line of said Huebner Road, with the west line of said 150.256 acre tract and the west line of said Hills of Stone Oak Unit-2 Subdivision, a distance of 826.10 feet to a found 1 1/2" iron rod at the southeast corner of Lot 42, Block 4, Hills of Stone Oak Unit-1 Subdivision recorded in Volume 9508, Pages 58-61 of the Deed and Plat Records of Bexar County, Texas;

THENCE: N 16°43'23" E, continuing with the west line of said 150.256 acre tract and the east line of said Hills of Stone Oak Unit-1 Subdivision, a distance of 864.20 feet to the POINT OF BEGINNING of herein described easement;

THENCE: N 16°43'23" E, continuing with said line, a distance of 38.04 feet to a point at the west corner of a Lot 1, Block 5, Knights Cross Elementary School recorded in Volume 9624, Page 94 of the Deed and Plat Records of Bexar County, Texas;

THENCE: S 77°19'14" W, with the southwest line of said 30.787 acre tract, a distance of 235.75 feet to a point;

THENCE: S 37°47'11" E, continuing with said line, a distance of 93.93 feet to a point;

THENCE:
N 73°18'00" W, departing the southwest line of said Lot 1, over and across said 150.256 acre tract, a distance of 311.64 feet to the POINT OF BEGINNING, and containing 0.298 of an acre in the City of an Antonio, Bexar County, Texas. Said tract being described in accordance with an exhibit prepared under job number 7117-09 by Pape-Dawson Engineers, Inc.
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

TEMPORARY CONSTRUCTION EASEMENT – WATER AND SEWER

STATE OF TEXAS §

COUNTY OF BEXAR §

THAT, DAGUE RANCH LIMITED PARTNERSHIP, a Texas limited partnership, hereinafter referred to as "GRANTOR", for and in consideration in the amount of TEN DOLLARS ($10.00), and other valuable consideration the receipt and sufficiency of which is hereby acknowledged, to GRANTOR in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has GIVEN, GRANTED, SOLD, CONVEYED, and DEDICATED, and by these presents, does GIVE, GRANT, SELL, CONVEY, and DEDICATE unto the CITY OF SAN ANTONIO, a Municipal Corporation for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992 and subject to the terms and provisions of said ordinance, an easement over, across and upon the following described lands, for construction, storage and staging of materials and/or equipment for installation of water and sewer lines, facilities and appurtenances thereto:

Being 0.976 of an acre, or 42,513 square feet more or less, easement located on the remaining portion of a 50.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas, and being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof (the “Temporary Easement Area”);

For the purpose of using the said Temporary Easement Area for any and all things necessary for the construction of the aforesaid water and sewer lines, facilities and appurtenances. Grantee shall not construct or install any buildings or permanent structures within the Temporary Easement Area. In further consideration of this grant, said Grantee expressly agrees that it will remove from said Temporary Easement Area all surplus material and will cause said Temporary Easement Area to be left as nearly as possible in its condition as it existed prior to the construction of said improvements. The temporary construction easement shall expire at the earlier of (i) completion of construction of the aforesaid improvements, demobilization and restoration work or (ii) December 31, 2019.

Together with the right of ingress and egress over said Temporary Easement Area; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that, during the term of this temporary construction easement, no building or other obstruction of any
kind will be placed by or for GRANTOR or its legal representatives, successors and/or assigns, within said Temporary Easement Area.

The easement created herein is made and accepted by the parties hereto subject to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights-of-way and easements presently of record or visible on the ground that a true and correct survey would disclose (collectively, the “Exceptions”).

Grantee shall have no obligation in connection with the use of the Temporary Easement Area by Grantee or its agents, contractors, invitees and employees. In the event Grantee damages, injures or destroys the surface of the Temporary Easement Area, then Grantee, prior to the expiration of this easement, shall repair and restore the surface to as good or better condition that the same was in immediately prior to such damage, injury or destruction; this shall include restoration of any paved road or gravel roadways existing within the Temporary Easement Area. This paragraph shall survive the expiration of this easement.

Grantee has executed and delivered this easement, and Grantee has received and accepted this easement and the Temporary Easement Area, AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH IN THIS INSTRUMENT. BY ACCEPTING AND/OR RECORDING THIS INSTRUMENT, GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) CONCERNING (A) THE PHYSICAL CONDITION OR SOIL CONDITIONS OF ANY PART OF THE TEMPORARY EASEMENT AREA DESCRIBED HEREIN, (B) THE PRESENCE OR CONDITION OF ANY HAZARDOUS MATERIALS, WETLANDS AND/OR ANY OTHER ENVIRONMENTAL MATTERS RELATING TO SUCH PROPERTY, (C) ANY DEVELOPMENT, ZONING OR LEGAL REQUIREMENTS APPLICABLE TO THE EASEMENT AREA, OR (D) THE VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE TEMPORARY EASEMENT AREA OR ANY PART THEREOF. THE ACKNOWLEDGMENTS AND AGREEMENTS CONTAINED IN THIS PARAGRAPH SHALL BE BINDING UPON GRANTEE AND GRANTEE’S SUCCESSORS AND ASSIGNS AND SHALL INURE TO THE BENEFIT OF GRANTOR AND ITS SUCCESSORS AND ASSIGNS.

Grantee shall not cause the Temporary Easement Area or Grantor to be in violation of, or do anything or permit anything to be done by Grantee or its contractors, subcontractors, agents or employees which will subject the Temporary Easement Area or Grantor to any remedial obligations under any applicable laws pertaining to health or the environment.

Grantee shall comply at all times and at its sole cost and expense with all applicable federal, state and local laws, rules, regulations and safety and environmental standards in connection with the use and enjoyment of the easement by Grantee and its agents, contractors, invitees and employees.

Grantee is not, and shall not be construed as, Grantor’s agent in contracting for any improvements in the Temporary Easement Area and shall not have any authority to pledge, mortgage, hypothecate or otherwise encumber any interest in the Temporary Easement Area or any other property of Grantor.
The easement is non-exclusive and Grantor reserves the right to grant further easements and rights of way over, across and through the Temporary Easement Area so long as the same do not materially interfere with the rights of Grantee to the easement. Grantor reserves to itself and its successors and assigns all rights in and to the Temporary Easement Area which are not inconsistent with the easement granted to Grantee and the terms of this instrument.

In the event of any interference or threatened interference with Grantor’s rights reserved herein, such rights may be enforced, to the extent allowed by law, by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until the expiration of this temporary construction easement according to its terms.

And, subject to the Exceptions and other matters set forth herein, Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

This easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Signature on following page
EXECUTED effective this ____________ day of _______________ , 2018

DAGUE RANCH LIMITED PARTNERSHIP,
a Texas limited partnership

By: Dague Ranch Management, LLC,
its General Partner

By: ________________________________
Darlene S. Dague, President

STATE OF TEXAS  §
COUNTY OF BEXAR  §

This instrument was acknowledged before me on this ______ day of __________, 2018, by Darlene S. Dague, President of Dague Ranch Management, LLC, a Texas limited liability company, General Partner of Dague Ranch Limited Partnership, a Texas limited partnership.

_______________________________
Notary Public
METES AND BOUNDS DESCRIPTION
FOR
A 50-FOOT TEMPORARY CONSTRUCTION EASEMENT

A 0.976 of an acre, or 42,513 square feet more or less, easement located on the remaining portion of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property of Bexar County, Texas, in New City Block (N.C.B.) 19221 of the City of San Antonio, Bexar County, Texas. Said 0.976 of an acre easement being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a found at found nail at the south west corner of said 150.256 acre tract, at the southeast corner of Lot 58, Block 4, Hills of Stone Oak Unit-2 Subdivision recorded in Volume 9510, Pages 22-24 of the Deed and Plat Records of Bexar County, Texas and on the north right-of-way line of Huebner Road, a 110-foot public right-of-way dedicated in Stone Oak High School Unit 1 Subdivision recorded in Volume 9536, Page 92 of the Deed and Plat Records of Bexar County, Texas;

THENCE: N 16°42'27" E, departing the north right-of-way line of said Huebner Road, with the west line of said 150.256 acre tract and the east line of said Hills of Stone Oak Unit-2 Subdivision a distance of 82.18 feet to a found ½" iron rod at the southeast corner of Lot 42, Block 4, Hills of Stone Oak Unit-1 Subdivision recorded in Volume 9508, Pages 65-661 of the Deed and Plat Records of Bexar County, Texas;

THENCE: N 16°43'57" E, continuing with the west line of said 150.256 acre tract and the east line of said Hills of Stone Oak Unit-1 Subdivision, a distance of 814.20 feet to a point;

THENCE: S 73°18'00" E, departing the east line of said Hills of Stone Oak Unit-1 Subdivision, over and across said 150.256 acre tract, a distance of 209.58 feet to the POINT OF BEGINNING of herein described easement;

THENCE: Continuing over and across said 150.256 acre tract, the following bearings and distances:

S 73°18'00" E, a distance of 86.07 feet to a point;
S 37°47'11" E, a distance of 362.86 feet to a point;
S 11°06'44" E, a distance of 187.98 feet to a point;
S 01°51'31" E, a distance of 82.94 feet to a point;
0.976 Acre Easement
Classen-Stuebing
Job No.: 7117-09
Page 2 of 2

S 25°11'10" W, a distance of 59.90 feet to a point;
S 64°48'50" E, a distance of 86.72 feet to a point on the west line of a 26.009 acre tract conveyed to Central Texas Regional Water Supply Corporation by deed recorded in Volume 18184, Page 1226 of the Official Public Records of Real Property of Bexar County, Texas;

THENCE: S 01°51'31" E, continuing with said line, a distance of 56.14 feet to a point;

THENCE: Departing the west line of said 26.009 acre tract, over and across said 150.256 acre tract, the following bearings and distances:

N 64°48'50" W, a distance of 162.24 feet to a point;
N 25°11'10" E, a distance of 97.87 feet to a point;
N 01°51'31" W, a distance of 66.87 feet to a point;
N 11°06'44" W, a distance of 172.08 feet to a point;
N 37°47'11" W, a distance of 421.06 feet to the POINT OF BEGINNING, and containing 0.976 of an acre in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with an exhibit prepared under job number 7117-09 by Pape-Dawson Engineers.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: October 31, 2017
JOB NO. 7117-09
DOC. ID. N:\CIVIL\7117-09\Woks\7117-09 ESTC\00 - AC.docx

STATE OF TEXAS
REGISTRATION NO. 4251
PROFESSIONAL LAND SURVEYOR
DANIEL A. CASANOVA
546504251
RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT (this "Agreement") is entered into this ____ day of June, 2018 by and between the San Antonio Water System ("Grantee") and DAGUE RANCH LIMITED PARTNERSHIP (referred to as "Owner", whether one or more).

Property: An approximately 0.092 acre (approx. 4000 sq ft) area of land (the "Property") depicted in Exhibit “A” attached hereto, being a part of a 150.256 acre tract conveyed to Dague Ranch LTD Partnership in a deed recorded in Volume 14766, Page 1410 of the Official Public Records of Real Property, in New City Block 19221 of the City of San Antonio, Bexar County, Texas.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Grantee and its contractors and assigns shall have from September 1, 2018 until April 30, 2020 to utilize the Property for vehicular access, ingress and egress for the Project. Grantee shall not disturb any “heritage” or “significant” trees (as defined in the City of San Antonio Tree Preservation and Adequate Canopy Coverage ordinance, as codified in Section 35-523 of the City of San Antonio Uniform Development Code) located within the Property as a result of its activities.

Furthermore, Grantee shall reasonably repair any physical damage to the Property resulting from its use of the Property and shall restore the Property substantially to the same condition as of the date of Grantee’s commencement of use of the Property under this Agreement. Regarding surface restoration, Grantee shall hydro-seed the surface of the Staging Area upon completion of Grantee’s use of the Property.

Grantee shall make reasonable efforts to provide reasonable notice to Owner of the dates and anticipated durations of the necessary project work.

Owner has executed and delivered this Agreement, and Grantee has received and accepted the license created herein and the Property, AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL. BY ACCEPTING AND/OR RECORDING THIS AGREEMENT, GRANTEE ACKNOWLEDGES AND AGREES THAT OWNER HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) CONCERNING (A) THE PHYSICAL CONDITION OR SOIL CONDITIONS OF ANY PART OF THE PROPERTY, (B) THE PRESENCE OR CONDITION OF ANY HAZARDOUS MATERIALS, WETLANDS AND/OR ANY OTHER ENVIRONMENTAL MATTERS RELATING TO SUCH PROPERTY, (C) ANY DEVELOPMENT, ZONING OR LEGAL REQUIREMENTS APPLICABLE TO THE PROPERTY OR (D) THE VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE PROPERTY. THE ACKNOWLEDGMENTS AND AGREEMENTS CONTAINED IN THIS PARAGRAPH SHALL BE BINDING UPON GRANTEE AND GRANTEE’S SUCCESSORS AND ASSIGNS AND SHALL INURE TO THE BENEFIT OF OWNER AND ITS SUCCESSORS AND ASSIGNS.
Grantee shall not cause the Property or Owner to be in violation of, or do anything or permit anything to be done by Grantee or its contractors, subcontractors, agents or employees which will subject the Property or Owner to any remedial obligations under any applicable laws pertaining to health or the environment.

Grantee shall comply at all times and at its sole cost and expense with all applicable federal, state and local laws, rules, regulations and safety and environmental standards in connection with the use and enjoyment of the easement by Grantee and its agents, contractors, invitees and employees.

Grantee is not, and shall not be construed as, Owner’s agent in contracting for any improvements in the Property and shall not have any authority to pledge, mortgage, hypothecate or otherwise encumber any interest in the Property or any other property of Owner.

The license created herein is non-exclusive and Owner reserves to itself and its successors and assigns all rights in and to the Property which are not inconsistent with the license granted to Grantee and the terms of this Agreement.

In the event of any interference or threatened interference with Owner’s rights reserved herein, such rights may be enforced, to the extent allowed by law, by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

At Grantee’s request and upon Grantee obtaining a legal description of the Property, Owner shall execute a temporary construction easement for the Property replacing this Agreement and containing the applicable terms and conditions of this Agreement, being otherwise written on Grantee’s standard temporary construction easement form, as modified between the parties in other easements.

This Agreement shall be construed and enforced in accordance with the laws of the State of Texas. This Agreement may be executed in counterparts, which shall collectively constitute one original Agreement.

Signatures on following pages
OWNER:

DAGUE RANCH LIMITED PARTNERSHIP, a Texas limited partnership

By: Dague Ranch Management, LLC, its General Partner

By: __________________________
    Darlene S. Dague, President
GRANTEE:

SAN ANTONIO WATER SYSTEM:

By: ______________________________
Printed Name: Nancy Belinsky
Title: Vice President and General Counsel
TO: San Antonio Water System Board of Trustees

FROM: Annette Duron, Interim - Director, Operations Support, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

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

SUBJECT: AWARD OF SERVICE CONTRACT IN CONNECTION WITH CLEANING AND INSPECTION OF SANITARY SEWER ASSETS AT THE FORMER SALADO CREEK WATER RECYCLING CENTER (WRC)

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a service contract to Ace Pipe Cleaning, Inc., a local, non-SMWVB firm, in the amount of $694,764.26 in connection with the Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek Water Recycling Center (WRC).

- San Antonio Water System (SAWS) is required under the Consent Decree to inspect all large diameter sanitary sewer pipelines over a period not to exceed four years. Those found to have debris obstructing 20 percent or more of the cross sectional area of the pipe must be cleaned if the hydraulic modeling performed by SAWS confirms that the depth of debris present will constitute a Capacity Constraint as defined by the Consent Decree.

- Subsequent to the recent sonar inspections conducted on the large mains and siphons in the vicinity of the former Salado Creek WRC, it was found that certain critical pipelines contain debris exceeding the 20 percent Consent Decree threshold.

- Because of the expertise and specialized equipment needed for cleaning and inspecting large pipelines, this contract outsources the services to clean approximately 5,306 feet of designated gravity mains ranging from 48-inches to 90-inches in diameter, approximately 4,973 feet of designated siphons ranging from 54-inches to 78-inches in diameter, designated manholes and structures, and to internally inspect designated assets.

- The contracted services will improve the hydraulic performance of the sanitary sewer system and will evaluate and document the condition of the assets.

- The standard bidding process was used for this contract.


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

Funds for these contract services to be provided during FY 2018 were included in the FY 2018 Annual Operating Budget and will be financed with revenues from the System Fund. The System Fund will finance the amount of $694,764.26 for contract services (Company: 1000, Accounting Unit: 5044900, Account: 511312). The SAWS bid number for this project is 18-18068.

Funds for these contract services to be provided during FY 2019 will be paid from System funds budgeted in the 2019 Budget, pursuant to and contingent upon Board approval of the 2019 budget with a line item for such expenditures. (Company: 1000; Accounting Unit: 5044900, Account: 511312).

SUPPLEMENTARY COMMENTS:

SAWS staff prepared the specifications for this project. The engineer’s estimated cost is $894,523.95.

A bid opening was held on July 10, 2018, at 3:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ace Pipe Cleaning, Inc.*</td>
<td>$694,764.26</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$894,523.95</td>
<td></td>
</tr>
<tr>
<td>Taplin Group, LLC</td>
<td>$1,249,608.61</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

* Lowest responsible bidder

The bid amount represents a 22.3 percent decrease from the estimated cost.

The overall SMWVB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek WRC Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ace Pipe Cleaning, Inc.</td>
</tr>
<tr>
<td>SMWVB Analysis – Board Award</td>
</tr>
<tr>
<td>SBE                      0.00%</td>
</tr>
<tr>
<td>MBE – African American      0.00%</td>
</tr>
<tr>
<td>MBE – Asian                0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic             0.00%</td>
</tr>
<tr>
<td>MBE – Other                0.00%</td>
</tr>
<tr>
<td>WBE – Minority             0.00%</td>
</tr>
<tr>
<td>WBE – Non-Minority         19.00%</td>
</tr>
<tr>
<td>SMWVB Total                19.00%</td>
</tr>
</tbody>
</table>
Award of Service Contract
Cleaning and Inspection of Sanitary Sewer Assets
at the Former Salado Creek WRC

Annette Duron
Interim-Director
Operations Support

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Jeffrey J. Haby, P.E.
Vice President
Production and Treatment
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A SERVICE CONTRACT TO ACE PIPE CLEANING, INC. IN THE AMOUNT OF $694,764.26 IN CONNECTION WITH THE CLEANING AND INSPECTION OF SANITARY SEWER ASSETS AT THE FORMER SALADO CREEK WATER RECYCLING CENTER (WRC); APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $694,764.26 FROM THE SYSTEM FUND FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEAR’S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A SERVICE CONTRACT WITH ACE PIPE CLEANING, INC., AND TO PAY ACE PIPE CLEANING, INC. AN AMOUNT NOT TO EXCEED $694,764.26 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking to clean and inspect sanitary sewer pipeline assets in connection with the Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek Water Recycling Center as part of its maintenance program associated with the Consent Decree; and

WHEREAS, cleaning and inspection contracts have been implemented in the past; and

WHEREAS, this project includes cleaning approximately 5,306 feet of designated gravity mains ranging from 48-inches to 90-inches in diameter, approximately 4,973 feet of designated siphons ranging from 54-inches to 78-inches in diameter, designated manholes and structures, and internally inspecting designated assets (the “project work”); and

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

WHEREAS, Ace Pipe Cleaning, Inc., a local, non-SMWVB firm, has submitted a bid in the amount of $694,764.26 for the project work and this bid has been determined to be the low responsible bid; and
WHEREAS, System funds in the estimated amount of $694,764.26 are required for the project work and are available from the System Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a service contract to Ace Pipe Cleaning, Inc. in the amount of $694,764.26 in connection with the Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek Water Recycling Center, (ii) to approve and make available an amount not to exceed $694,764.26 from the System Fund for the project work, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a service contract with Ace Pipe Cleaning, Inc. and to pay Ace Pipe Cleaning, Inc. an amount not to exceed $694,764.26 for the project work; now, therefore:

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

1. That a service contract in the amount of $694,764.26 is hereby awarded to Ace Pipe Cleaning, Inc. in connection with the Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek Water Recycling Center.

2. That the expenditure of funds in an amount not to exceed $694,764.26 for the project work is hereby approved and made available from the System Fund, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a service contract with Ace Pipe Cleaning, Inc. and to pay Ace Pipe Cleaning, Inc. an amount not to exceed $694,764.26 in connection with the Cleaning and Inspection of Sanitary Sewer Assets at the Former Salado Creek Water Recycling Center.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, 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 7th day of August, 2018.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Patricia E. Merritt, Assistant Secretary
TO:    San Antonio Water System Board of Trustees

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

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

SUBJECT:  APPROVAL OF THE 2018 WATER PURCHASE AGREEMENT BETWEEN THE GUADALUPE-BLANCO RIVER AUTHORITY, CANYON REGIONAL WATER AUTHORITY, CITY OF CIBOLO, CITY OF MARION, EAST CENTRAL SPECIAL UTILITY DISTRICT, GREEN VALLEY SPECIAL UTILITY DISTRICT, SPRINGS HILL WATER SUPPLY CORPORATION, AND THE SAN ANTONIO WATER SYSTEM

Board Action Date:  August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves and authorizes execution of the 2018 Water Purchase Agreement between the Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Special Utility District, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and the San Antonio Water System.

- Effective October 13, 1998, the Bexar Metropolitan Water District (BexarMet) entered into that one certain Water Purchase Contract Among Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Water Supply Corporation, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and Bexar Metropolitan Water District (“1998 Contract”).

- The 1998 Contract provided for the sale of water owned by the Guadalupe-Blanco River Authority (GBRA) to the Canyon Regional Water Authority (CRWA) for resale in agreed amounts to the other parties, including BexarMet.

- Concurrently with the execution of the 1998 Contract, CRWA and the other non-GBRA parties to the contract entered into agreements (the Lake Dunlap Contract and the Mid-Cities Contract) whereby the non-GBRA parties agreed to purchase water from CRWA and fund the construction of a treatment facility for the purchased water at Lake Dunlap on the Guadalupe River and a distribution pipeline.

- The 82nd Regular Texas Legislature enacted Senate Bill 341 in 2011 whereby certain rights and duties of BexarMet, including the 1998 Contract, the Lake Dunlap Contract, and the Mid-Cities Contract, were transferred to and assumed by the San Antonio Water System (SAWS), and BexarMet was dissolved.
• The Lake Dunlap Contract and the Mid-Cities Contract were amended and restated on July 1, 2016, as the Regional Water Supply Contract (2016).

• The 1998 Contract has been amended six times to meet the needs of various parties.

• Under the collective terms of the 1998 Contract and the Regional Water Supply Contract (2016), GBRA is obligated to sell to CRWA, CRWA is obligated to sell to SAWS, and SAWS is obligated to purchase from CRWA, 4,000 acre-feet per year of treated water from Lake Dunlap until December 31, 2023.

• The SAWS service area is outside the Guadalupe River Basin and GBRA’s service area.

• GBRA desires to discontinue the sale of water outside of the Guadalupe River Basin when its current obligation to SAWS expires on December 31, 2023, in order to better meet the needs of its in-basin customers.

• All parties to the 1998 Contract desire to amend and restate the 1998 Contract for the following purposes:
  - Clarify that the contract is terminated as to SAWS on December 23, 2023;
  - Extend the contract until 2067 for all other parties;
  - Ensure that GBRA has no obligation to sell water outside of its basin after 2023;
  - Acknowledge the assumption of BexarMet by SAWS;
  - Acknowledge the changed legal status of the former East Central Water Supply Corporation as a water supply district;
  - Consolidate the original contract and six amendments into a single document.

• CRWA has a contractual commitment to replace the 4,000 acre-feet per year of Lake Dunlap water currently being provided to SAWS from other sources being developed by CRWA in accordance with the terms of a separate agreement between CRWA and SAWS.

• The attached resolution would approve the 2018 Water Purchase Agreement between GBRA, CRWA, City of Cibolo, City of Marion, East Central Special Utility District, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and SAWS to amend and restate the 1998 Contract.

• SAWS staff believes that approval and execution of this 2018 Water Purchase Agreement would continue SAWS multi-year effort to simplify its relationship with CRWA and better allow GBRA, CRWA and SAWS to satisfy their respective service obligations and meet the
region's water supply needs.

- The contract will take effect once it has been signed by all parties in August 2018.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

There is no additional financial impact associated with this resolution.

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**APPROVED:**

Darren Thompson  
Director  
Water Resources

Donovan Burton  
Vice President  
Water Resources and Governmental Relations

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE 2018 WATER PURCHASE AGREEMENT BETWEEN THE GUADALUPE-BLANCO RIVER AUTHORITY, CANYON REGIONAL WATER AUTHORITY, CITY OF CIBOLO, CITY OF MARION, EAST CENTRAL SPECIAL UTILITY DISTRICT, GREEN VALLEY SPECIAL UTILITY DISTRICT, SPRINGS HILL WATER SUPPLY CORPORATION, AND THE SAN ANTONIO WATER SYSTEM; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE 2018 WATER PURCHASE AGREEMENT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, effective October 13, 1998, the Bexar Metropolitan Water District (BexarMet) entered into that one certain Water Purchase Contract Among Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Water Supply Corporation, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and Bexar Metropolitan Water District (the "1998 Contract"); and

WHEREAS, the 1998 Contract provided for the sale of water owned by the Guadalupe-Blanco River Authority (GBRA) to the Canyon Regional Water Authority (CRWA) for resale in agreed amounts to the other parties, including BexarMet; and

WHEREAS, concurrently with the execution of the 1998 Contract, CRWA and the other non-GBRA parties to the contract entered into agreements (the Lake Dunlap Contract and the Mid-Cities Contract) whereby the non-GBRA parties agreed to purchase water from CRWA and fund the construction of a treatment facility for the purchased water at Lake Dunlap on the Guadalupe River and a distribution pipeline; and

WHEREAS, the 82nd Regular Texas Legislature enacted Senate Bill 341 in 2011 whereby certain rights and duties of BexarMet, including the 1998 Contract, the Lake Dunlap Contract, and the Mid-Cities Contract, were transferred to and assumed by the San Antonio Water System (the “System”), and BexarMet was dissolved; and

WHEREAS, the Lake Dunlap Contract and the Mid-Cities Contract were amended and restated on July 1, 2016, as the Regional Water Supply Contract (2016); and

WHEREAS, the 1998 Contract has been amended six times to meet the needs of various parties; and

DRAFT
WHEREAS, under the collective terms of the 1998 Contract and the Regional Water Supply Contract (2016), GBRA is obligated to sell to CRWA, CRWA is obligated to sell to the System, and the System is obligated to purchase from CRWA, 4,000 acre-feet per year of treated water from Lake Dunlap until December 31, 2023; and

WHEREAS, the System’s service area is outside the Guadalupe River Basin and GBRA’s service area; and

WHEREAS, GBRA desires to discontinue the sale of water outside of the Guadalupe River Basin when its current obligation to the System expires on December 31, 2023, in order to better meet the needs of its in-basin customers; and

WHEREAS, all parties to the 1998 Contract desire to amend and restate the 1998 Contract for the following purposes:

• Clarify that the contract is terminated as to the System on December 23, 2023;
• Extend the contract until 2067 for all other parties;
• Ensure that GBRA has no obligation to sell water outside of its basin after 2023;
• Acknowledge the assumption of BexarMet by the System;
• Acknowledge the changed legal status of the former East Central Water Supply Corporation as a water supply district;
• Consolidate the original contract and six amendments into a single document; and

WHEREAS, CRWA has a contractual commitment to replace the 4,000 acre-feet per year of Lake Dunlap water currently being provided to the System from other sources being developed by CRWA in accordance with the terms of a separate agreement between CRWA and the System; and

WHEREAS, the Board of Trustees believes that approval and execution of this 2018 Water Purchase Agreement would continue the System’s multi-year effort to simplify its relationship with CRWA and better allow GBRA, CRWA and the System to satisfy their respective service obligations and meet the region’s water supply needs; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the 2018 Water Purchase Agreement among Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Special Utility District, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and San Antonio Water System to achieve these goals, and (ii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the 2018 Water Purchase Agreement; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the 2018 Water Purchase Agreement between the Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Special Utility District, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and the San Antonio Water System attached hereto as Exhibit A is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the 2018 Water Purchase Agreement.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public 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 work of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 7th day of August, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary

Attachment:
Exhibit A: 2018 Water Purchase Agreement between the Guadalupe-Blanco River Authority, Canyon Regional Water Authority, City of Cibolo, City of Marion, East Central Special Utility District, Green Valley Special Utility District, Springs Hill Water Supply Corporation, and the San Antonio Water System
WATER PURCHASE AGREEMENT
AMONG
GUADALUPE-BLANCO RIVER AUTHORITY
AND
CANYON REGIONAL WATER AUTHORITY
AND
CITY OF CIBOLO, CITY OF MARION,
EAST CENTRAL SPECIAL UTILITY DISTRICT,
GREEN VALLEY SPECIAL UTILITY DISTRICT,
SPRINGS HILL WATER SUPPLY CORPORATION, AND
SAN ANTONIO WATER SYSTEM

This Agreement (hereinafter called this “2018 Water Purchase Agreement” or this “Agreement”), is entered into, by and among the GUADALUPE-BLANCO RIVER AUTHORITY (“GBRA”), CANYON REGIONAL WATER AUTHORITY (“CRWA”), CITY OF CIBOLO, TEXAS (“Cibolo”), CITY OF MARION, TEXAS (“Marion”), EAST CENTRAL SPECIAL UTILITY DISTRICT (“ECSUD”), GREEN VALLEY SPECIAL UTILITY DISTRICT (“GVSUD”), SPRINGS HILL WATER SUPPLY CORPORATION (“SHWSC”), and SAN ANTONIO WATER SYSTEM (“SAWS”) collectively, the “Parties” and shall become effective as provided in Section 39 hereof.

RE CITALS

A. Pursuant to the terms of that certain water purchase agreement between GBRA and CRWA, dated October 13, 1998, as amended (hereinafter defined as the “1998 Water Purchase Contract”), GBRA agreed to supply a specified amount of untreated water per annum on a firm basis. The water was to be treated by CRWA and then supplied to the ECSUD, GVSUD, SHWSC, Marion, Cibolo, and Bexar Metropolitan Water District (“BMWD”).

B. San Antonio Water System (“SAWS”) has since assumed the rights and obligations of BMWD, including all rights and obligations under the 1998 Water Purchase Contract.
C. ECSUD converted to Special Utility Districts over the course of years since the 1998 Water Purchase Contract was executed. Additionally, the 1998 Water Purchase Contract was amended six times over the course of years since its execution.

D. Pursuant to a request by CRWA to consolidate the 1998 Water Purchase Contract with the six amendments thereto, and to update some of the terms of the said Agreement, the Parties have agreed to replace the 1998 Water Purchase Contract with this 2018 Water Purchase Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA, CRWA, Cibolo, Marion, ECSUD, GVSUD, SHWSC and SAWS agree as follows:

1. Definitions.

(a) “1998 Water Purchase Contract” shall mean the October 13, 1998 Water Purchase Agreement between GBRA, CRWA, Cibolo, Marion, ECWSC, GVSUD, SHWSC, and SAWS (or their predecessor entities or predecessors-in-interest), as amended. The 1998 Water Purchase Contract superseded a prior agreement between GBRA and CRWA, dated October 14, 1991.

(b) “Additional Long-Term Annual Commitment” shall mean and refer to the 5,200 acre foot annual supply of untreated water GBRA shall furnish and deliver to CRWA, on a take or pay basis pursuant to the terms of this agreement, commencing on January 1, 2024 and ending on the Termination Date, as described in Section 4.

(c) “CRWA’s Treatment Plant” shall mean the existing surface water treatment plant owned by CRWA located near Lake Dunlap as it may be expanded and modified.
from time to time.

(d) “GBRA Area” shall mean GBRA’s ten-county statutory district.

(e) “GBRA-Area Participants” shall mean Cibolo, Marion, ECSUD, GVSUD, and SHWSC.

(f) Long-Term Annual Commitment” shall mean and refer to the 5,375 acre foot annual supply of untreated water GBRA shall furnish and deliver to CRWA, on a take or pay basis pursuant to the terms of this agreement, commencing on the Effective Date of this 2018 Water Purchase Agreement and ending on the Termination Date, as described in Section 3.

(g) “Parties” as the term may be used from time-to-time shall include GBRA, CRWA, Cibolo, Marion, ECSUD, GVSUD, SHWSC, and SAWS.

(h) “Point(s) of Delivery” shall mean the point or points at which GBRA delivers water to CRWA as described in Section 9. A Point of Delivery may also be a Point of Diversion, as that term is defined herein.

(i) “Point(s) of Diversion” shall mean the point or points at which CRWA diverts water delivered by GBRA, as described in Section 8. A Point of Diversion may also be a Point of Delivery, as that term is defined herein.

(j) “PUC” shall mean the Public Utility Commission of Texas, its predecessor and/or its successor agencies having jurisdiction over water rates applicable to this Agreement.

(k) “State” shall mean the State of Texas.
(l) “TCEQ” shall mean the Texas Commission on Environmental Quality, its predecessor and/or successor agencies having jurisdiction over water rights or other issues applicable to this Agreement.

2. Termination of 1998 Water Purchase Agreement.

(a) On the Effective Date of this 2018 Water Purchase Agreement as defined in Section 39, the 1998 Water Purchase Contract, as amended, is automatically terminated and superseded in all respects by this 2018 Water Purchase Agreement, except as provided in Subsection (b) of this Section.

(b) Notwithstanding Subsection (a) of this Section:

(i) all fees and charges which accrued under the 1998 Water Purchase Contract on or before the date the 1998 Water Purchase Contract is terminated, shall remain due and payable;

(ii) All remedies for failure to make payments as due under the 1998 Water Purchase Contract shall survive termination.

(c) Nothing in this 2018 Water Purchase Agreement shall be construed to rescind or alter in any way any CRWA Treated Water Delivery Agreements, as described in Section 13.

3. Long-Term Annual Commitment.

(a) GBRA shall furnish and deliver to CRWA at the Point of Delivery a firm supply of untreated water to be used exclusively within those portions of each GBRA-Area Participant’s certificated service area that lie within the GBRA Area, as their certificated service area may be amended from time to time. This commitment shall hereinafter be called the “Long-Term Annual Commitment.”
(b) The Long-Term Annual Commitment shall be 5,375 acre-feet of water per year from the Effective Date through the term of this 2018 Water Purchase Agreement.

(c) The Long-Term Annual Commitment shall be taken or paid for whether taken or not, on an annual calendar-year basis.

(d) The Long-Term Annual Commitment shall be allocated among the GBRA-Area Participants as set forth in Sections 11 and 12 below.

4. Additional Long-Term Annual Commitment.

(a) On and after January 1, 2024, GBRA shall provide additional untreated water to CRWA at the Point Delivery to be used exclusively within those portions of each GBRA-Area Participant’s certificated service area that lie within the GBRA Area, as their certificated service area may be amended from time to time. This commitment shall be hereinafter called the “Additional Long-Term Annual Commitment.”

(b) The Additional Long-Term Annual Commitment shall be 5,200 acre-feet of water per year to be provided from January 1, 2024, through the term of this 2018 Water Purchase Agreement.

(c) The Additional Long-Term Annual Commitment shall be taken or paid for whether taken or not, on an annual calendar-year basis.

(d) The Additional Long-Term Annual Commitment shall be allocated by CRWA to the GBRA-Area Participants pursuant to Section 14.

5. Short-Term Annual Commitment.

(a) GBRA shall furnish and deliver at the Point of Delivery a firm supply of untreated water not to exceed 5,200 acre-feet per year through the Short-Term Termination Date. This commitment shall hereinafter be called the “Short-Term Annual Commitment.”
(b) GBRA’s obligation to furnish and deliver Short-Term Annual Commitment water under this Agreement shall terminate on the “Short-Term Termination Date.” The said Short-Term Termination Date shall be December 31, 2023.

(c) The “Short-Term Annual Commitment” shall be taken or paid for whether taken or not, on an annual calendar-year basis in any calendar year through the Short-Term Termination Date.

(d) The Short-Term Annual Commitment shall be allocated among ECSUD, GVSUD and SAWS as set forth in Sections 11 and 12 of this Agreement.

(e) All Short-Term Annual Commitment water shall be used exclusively within those portions of the service areas of such parties that lie outside the GBRA Area, except as otherwise expressly provided in this Agreement.

6. Total Annual Commitment.

The “Total Annual Commitment” that GBRA is obligated to provide for any calendar year during the term of this 2018 Water Purchase Agreement shall be 10,575 acre-feet of water per year, which is the sum of the Long-Term Annual Commitment, the Additional Long-Term Annual Commitment and the Short-Term Annual Commitment in effect for that year.

7. Sources of Water.

The water delivered hereunder at the Point or Points of Delivery shall be untreated water from any source or combination of sources currently available, or that may become available, to GBRA on a firm-yield basis including, without limitation, water released from conservation storage in Canyon Reservoir under Certificate of Adjudication No. 18-2074C, run-of-river flows of the Guadalupe River under new water rights or amendments to existing rights, and water obtained from sources other than surface waters of the Guadalupe River Basin.
8. **Points of Diversion for Water From the Guadalupe River.**

   (a) Except to the extent provided below, water supplied hereunder from the Guadalupe River shall be diverted from Lake Dunlap on the Guadalupe River in Guadalupe County, Texas, at a point shown on Exhibit “A” hereto (the “Dunlap Point of Diversion”), or such other locations as may be mutually agreed by the Parties and approved by TCEQ.

   (b) The maximum rate of diversion at the Dunlap Point of Diversion shall not exceed 12,200 gallons per minute.

   (c) GBRA will bear transportation and evapotranspiration losses in delivering stored water released from Canyon Reservoir to the Point or Points of Diversion.

9. **Points of Delivery.**

   All water supplied by GBRA under this 2018 Water Purchase Agreement shall be delivered to CRWA at one or more points (the “Point or Points of Delivery”), as defined below:

   (a) For so long as CRWA owns and operates the diversion facilities at Lake Dunlap, the Point of Delivery for water diverted from Lake Dunlap shall be the Dunlap Point of Diversion.

   (b) If GBRA supplies untreated water under this 2018 Water Purchase Agreement which is diverted at a Downstream Point of Diversion or supplied from sources other than surface waters of the Guadalupe River Basin, then the Point of Delivery of such water may be either the Dunlap Point of Diversion or an alternate point agreed to by the Parties.

10. **Purpose of Use.**

    All water supplied by GBRA under this 2018 Water Purchase Agreement shall be used for municipal purposes.
11. **Allocation and Places of Use Applicable to GBRA-Area Participants.**

   (a) The table in Subsection (c) below is intended to summarize the allocations, authorizations and/or limitations for the GBRA-Area Participants only and is intended to reflect the Long Term Annual Commitment and Short-Term Annual Commitment as described in Sections 3, 5, and in this Section 11.

   (b) The allocation, authorizations and/or limitations and place of use for SAWS are described in Section 12.

   (c) The following table relates to GBRA-Area Participants only:

<table>
<thead>
<tr>
<th>GBRA-Area Participant</th>
<th>I Long-Term Annual Commitment Allocated to Each Participant (for Use Exclusively Within GBRA Area) (AF/YR)</th>
<th>II Short-Term Annual Commitment Allocated to Each Participant (for Use Exclusively Outside GBRA Area) (AF/YR)</th>
<th>III Portion of Each Participant’s Long-Term Annual Commitment Authorized for Use in San Antonio River Basin (AF/YR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cibolo</td>
<td>1,350</td>
<td>0</td>
<td>1,350</td>
</tr>
<tr>
<td>Marion</td>
<td>100</td>
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<td>ECSUD</td>
<td>300</td>
<td>1,100</td>
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<td>GVSUD</td>
<td>1,700</td>
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<td>260</td>
</tr>
<tr>
<td>SHWSC</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>5,375</strong></td>
<td><strong>1,200</strong></td>
<td><strong>2,010</strong></td>
</tr>
</tbody>
</table>

(d) Column I above shows the portion of the Long-Term Annual Commitment allocated to each GBRA-Area Participant. Cibolo and Marion each represents that its entire
service area lies within the GBRA Area. ECSUD and GVSUD each represent that their service areas lie partly within, and partly outside, the GBRA Area. In accordance with Section 3, all water supplied as part of the Long-Term Annual Commitment allocated to each of these GBRA-Area Participants may be used in any portion of that Participant’s service area that also lies within the GBRA Area.

(e) SHWSC represents that a small portion of its service area lies outside of the GBRA Area. Notwithstanding language in this Agreement regarding Long-Term Annual Commitments to the contrary, the entire Long-Term Annual Commitment allocated to SHWSC will be used within the Guadalupe River Basin, and such use shall be within the service area of SHWSC.

(f) Column II above shows the portion of the Short-Term Annual Commitment allocated to GBRA-Area Participants ECSUD and GVSUD. The Short-Term Annual Commitment is subject to change, and it is subject to the Short-Term Termination Date when the Short-Term Annual Commitment is reduced to zero, as provided in Sections 5, 11, and 12.

(g) ECSUD and GVSUD each represent that their service areas lie partly within, and partly outside, the GBRA Area. In accordance with Section 5, all water supplied as part of the Short Term Annual Commitment to ESCUD and GVSUD may be used in any portion of that Participant’s service area that lies outside of the GBRA Area.

(h) No water supplied under this 2018 Water Purchase Agreement to any GBRA-Area Participant or CRWA may be supplied for use or used outside the GBRA Area or the watershed of the Guadalupe River as delineated by the Texas Water Development Board as of
the date of this 2018 Water Purchase Agreement, except as expressly set forth below in this Section or elsewhere in this Agreement. It is expressly agreed that:

1. The entire Long-Term Annual Commitment (Column I) allocated to Cibolo may be used within the San Antonio River Basin, provided that such use shall be within the service area of Cibolo. All water used by Cibolo under this 2018 Water Purchase Agreement must be used within the GBRA Area.

2. The entire Long-Term Annual Commitment (Column I) allocated to Marion may be used within the San Antonio River Basin, provided that such use shall be within the service area of Marion. All water used by Marion under this 2018 Water Purchase Agreement must be used within the GBRA Area.

3. The entire Long-Term Annual Commitment (Column I) allocated to ECSUD may be used within the San Antonio River Basin, but must be used within the GBRA Area. The Short-term Annual Commitment used by ECSUD outside the GBRA Area (Column II) shall be used only within the service area of ECSUD.

4. Out of the 1,700 acre-foot Total Annual Commitment allocated to it (Column I), GVSUD may use not more than 260 acre-feet per year of its Long-Term Annual Commitment within the San Antonio River Basin (Column III). The entire Short-Term Annual Commitment allocated to GVSUD (Column II) may be used within the San Antonio River Basin, but it must only be used outside of the GBRA Area and within the service area of GVSUD, except where otherwise expressly authorized in this Agreement. All other water used by GVSUD under this 2018 Water Purchase Agreement shall be used only within the GBRA Area.
(5) From and after the Short-Term Termination Date through the remaining term of this 2018 Water Purchase Agreement, the Short-Term Annual Commitment for All GBRA Participants (Column II) shall be reduced to zero.

12. Allocation and Place of Use Applicable to SAWS.

(a) SAWS shall have the right to the portion of the Short-Term Annual Commitment under this 2018 Water Purchase Agreement as provided in this Section. SAWS’ portion shall be referred to as “SAWS’ Short-Term Annual Commitment.”

(b) SAWS Short-Term Annual Commitment shall be 4,000 acre-feet of untreated water per year, to be taken, or paid for, whether taken or not, on an annual calendar-year basis in any calendar year from the Effective Date of this Agreement through the Short-Term Termination Date.

(c) SAWS’ Short-Term Annual Commitment shall terminate on the Short-Term Termination Date.

(d) The entire Short-Term Annual Commitment allocated to SAWS may be used within the San Antonio River Basin, provided that such use shall be within SAWS’ existing service area, except as provided in Section 15(f).

13. Obligations of CRWA.

(a) CRWA shall divert all untreated water delivered by GBRA at the Dunlap Point of Diversion and/or such other Points of Diversion as may be agreed to hereunder, and CRWA shall convey such water to CRWA’s Treatment Plant.

(b) CRWA shall treat at CRWA’s Treatment Plant all untreated water delivered to it under this 2018 Water Purchase Agreement, and it shall deliver such treated water to the GBRA-Area Participants and SAWS in amounts needed by such parties, in accordance with the terms,
conditions and limitations set forth in this 2018 Water Purchase Agreement and one or more separate agreements between CRWA and such parties (the “CRWA Treated Water Delivery Agreements”). The provisions of this 2018 Water Purchase Agreement shall control in the event that there are any conflicts or inconsistencies between this 2018 Water Purchase Agreement and any of the CRWA Treated Water Delivery Agreements.

(c) CRWA assumes full responsibility for treating the untreated water delivered to it hereunder in any manner which is necessary, desirable or appropriate for the use to which the water shall ultimately be put, and GBRA shall in no event be liable or responsible for any injury or damage to any person or entity as a result of the quality of any water delivered by CRWA.


(a) Following the Short-Term Termination Date, CRWA may allocate any Additional Long-Term Annual Commitment among the GBRA-Area Participants.

(b) Whether CRWA allocates any portion of the Additional Long-Term Annual Commitment or not and whether any portion of the water associated with said Commitment is taken or not, CRWA shall pay GBRA for the Additional Long-Term Annual Commitment.

(c) CRWA shall provide written notice to GBRA of any Allocations made under this Section, with a copy to the Party or Parties involved in the Allocation, on or before the later of:

(1) January 31 of the year in which the Allocation is to take effect; or,

(2) Fifteen (15) calendar days after the Parties involved in the allocation agree to the terms of the reallocation.
(d) The written notice required under this Section shall include:

(1) a statement of CRWA’s intent to allocate Long-Term Annual Commitment water among the Parties supplied under this 2018 Water Purchase Agreement and the identity of the Parties;

(2) an estimate of the amount of water to be used by each Party within the Guadalupe Basin; and,

(3) an estimate of the amount of water to be used by each Party outside of the Guadalupe Basin.

(e) CRWA shall also provide GBRA with a copy of any agreement executed under this Section within the time provided under Subsection (e) hereof.

Section 15. Temporary Reallocations of Short-Term Annual Commitment Water Through the Short-Term Termination Date.

(a) Temporary Reallocations of Short-Term Annual Commitment water by CRWA to any GBRA Area Participant that exceed the sum of all water allocated to that Participant under Sections 11, 12, and 14 of this Agreement, as may be applicable at the time, shall only be allowed as provided in this Section. No Temporary Reallocation of Short-Term Annual Commitment water shall be permitted to extend beyond the Short-Term Termination Date.
(b) CRWA shall notify GBRA of any Temporary Reallocations under this Section, and the quantity being reallocated, with a copy to the Party or Parties involved in the reallocation, on or before the later of:

(1) January 31 of the year in which the Temporary Reallocation is to take effect; or,

(2) Fifteen (15) calendar days after the Parties involved in the Temporary Reallocation agree to the terms of the Temporary Reallocation.

(c) The written notice required under this Section shall include:

(1) a statement of CRWA’s intent to reallocate among the other Parties water supplied under this 2018 Water Purchase Agreement and the identity of the Parties;

(2) an estimate of the amount of water to be used by each Party within the GBRA Area;

(3) an estimate of the amount of water to be used by each Party outside the GBRA Area.

(d) CRWA shall also provide GBRA with a copy of any agreement executed under this Section within the time provided under Subsection (b) hereof.

(e) A GBRA-Area Participant shall not use more than its Short-Term Annual Commitment outside the GBRA Area and CRWA shall not supply additional water for that purpose; provided, however, Short-Term Annual Quantities may be reallocated on a temporary basis by a GBRA-Area Participant for use by GBRA-Area Participants within
the GBRA Area, subject to the terms set forth in this Section.

(f) SAWS’ Short-term Annual Commitment may be used outside the GBRA Area until the Short-term Termination Date by SAWS, ECSUD or GVSUD, or inside the GBRA Area by the GBRA Area Participants. The total of SAWS’ Short-Term Annual Commitment allocated to ECSUD and GVSUD may be used by either ECSUD or GVSUD outside the GBRA Area or inside the GBRA Area by the GBRA Area Participants until the Short-Term Termination Date.

16. Temporary Reallocations of Long-Term Annual Commitment and Additional Long-Term Annual Commitment.

(a) This Section applies to the Temporary Transfers of Long-Term Annual Commitment Water by CRWA from the Effective Date through the Termination Date of this 2018 Water Purchase Agreement.

(b) Temporary Reallocations of Long-Term Annual Commitment water by CRWA to any GBRA-Area Participant that exceed the sum of all water allocated to that Participant under Sections 11, 12, and 14 of this Agreement, as may be applicable at the time, shall only be allowed as provided in this Section.

(c) CRWA shall notify GBRA of any Temporary Reallocations under this Section, and the type of water commitment or quantity being reallocated, with a copy to the Party or Parties involved in the reallocation, on or before the later of:

(1) January 31 of the year in which the Temporary Reallocation is to take effect; or,
(2) Fifteen (15) calendar days after the Parties involved in the Temporary Reallocation agree to the terms of the Temporary Reallocation.

(d) The written notice required under this Section shall include:

(1) a statement of CRWA’s intent to reallocate among the other Parties water supplied under this 2018 Water Purchase Agreement and the identity of the Parties;

(2) an estimate of the amount of water to be used by each Party within the Guadalupe Basin; and,

(3) an estimate of the amount of water to be used by each Party outside of the Guadalupe Basin.

(e) CRWA shall also provide GBRA with a copy of any agreement executed under this Section within the time provided under Subsection (c) hereof.

(f) The total Long-Term Annual Commitment temporarily transferred under this Section to the GBRA Area Participants for use within the GBRA Area shall remain within the GBRA Area and thus, may be transferred for use by the GBRA Participants only within the GBRA Area.

17. Limit on Annual Supply to SAWS

CRWA shall not supply to SAWS in any one year more water than the Short-Term Annual Quantity allocated to SAWS in effect for that year, less any of SAWS’ Short-Term Annual Quantity water allocated by CRWA to ECSUD and GVSUD.
18. Request for Temporary Sale of Long-Term Annual Commitment Water by GBRA.

(a) On or before the first business day of January, 2024, and each calendar year thereafter through the term of this 2018 Water Purchase Agreement, if CRWA or a GBRA-Area Participant, including SHWSC and ECSUD, does not desire to make full use of its Long-Term Annual Commitment, CRWA and the affected GBRA-Area Participant shall notify GBRA in writing of such fact.

(b) The notification shall include:

   (1) the quantity of water in acre-feet per year and the period of time in months or years that CRWA and the affected GBRA-Area Participant(s) do(es) not intend to use the water, but not forfeit their contractual entitlement thereto;

   (2) a request that GBRA assist the Parties making the request by seeking to sell the water described in the notice to GBRA’s other customers on a temporary basis, consistent with the period of time stated in the notice.

(c) If and for so long as GBRA is able to sell the water to other customers on a short-term basis, GBRA shall charge the other customers for the water at the then current Firm Water Rate, and GBRA shall correspondingly reduce CRWA and the GBRA-Area Participant’s charge and payment obligations.


(a) GBRA shall render one (1) bill to CRWA, and if requested, copies to Cibolo, Marion, ECSUD, GVSUD, SHWSC, and SAWS not later than the 4th day of each month for the total determined to be due for the previous month pursuant to Section 20, below.

(b) CRWA shall pay GBRA the amount billed, not later than ten days after CRWA receives the bill, at GBRA’s office in Guadalupe County, Texas or such other place as GBRA may
designate in writing. If CRWA fails to pay such bill, each of the GBRA Area Participants and
SAWS shall be responsible for its respective share of the monthly bill as determined by the
provisions of this Agreement. All payments made by CRWA, the GBRA-Area Participants and
SAWS shall be from any lawfully-available sources and such pecuniary obligations shall not be
demed to be a “debt” (as such term is used in Article 11, Section 7, Constitution of Texas) payable
from ad valorem taxes.

20. Charges.

   (a) Generally: The charges to be billed to, and paid by CRWA or the other Parties as
   provided in Section 19 shall be the charges described in this Section 20.

   (b) Base Charge: The base charge for each Party shall be an amount of money equal
to 1/12th of the product of each Party’s Long-Term Annual Commitment, Short-Term Annual
Commitment and Additional Long-Term Annual Commitment in effect during that month times
the Firm Water Rate in effect during that month.

   (c) Firm Water Rate: The “Firm Water Rate” shall be the rate charged by GBRA per
acre-foot of water per year for a firm water supply reserved and supplied pursuant to this 2018
Water Purchase Agreement, but in any event not less than the rate charged for stored water on a
firm-yield basis from Canyon Reservoir. The Firm Water Rate in effect as of the Effective Date
of this 2018 Water Purchase Agreement is $145.00 per acre-foot of water per year.

   (d) Out of District Charge: In addition to the Base Charge described in Subsection (b)
of this Section, an Out of District Charge shall be charged for water used outside of the GBRA
Area through the Short-Term Termination Date. The Out of District Charge for each Party using
water out of the GBRA Area shall be an amount of money equal to 1/12th of the product of that
party’s Short Term Annual Commitment, if any, in effect during that month, times the Out-of-
District Charge in effect during that month. The Out-of-District Charge for each month during specified time periods shall be the product of $24.00 multiplied by a fraction, the numerator of which shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W, U.S. City Average. 1982-84 = 100) published by the Bureau of Labor Statistics of the U.S. Department of Labor (“Index”) for the month of November during the preceding year, and the denominator of which shall be the Index for the month of November 1996.

21. **Annual Adjustment.**

CRWA shall pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, not later than the thirty-first (31st) day of January of each year, a dollar amount equal to the product of the following: a factor of 2.0, times the Firm Water Rate in effect on December 31 of the previous year, times the number of acre-feet of water used in the previous calendar year in excess of the Total Annual Commitment applicable for that year; provided, however, that nothing in this Section shall be construed as obligating GBRA to supply in any year more water than the Total Annual Commitment in effect during that year or to agree to any increase in the Total Annual Commitment.

22. **Adjustment of Rates.**

(a) The Firm Water Rate specified in this 2018 Water Purchase Agreement may be adjusted by GBRA at any time and from time to time. If GBRA desires to adjust the Firm Water Rate, it shall, at least sixty (60) days prior to the first day on which such adjustment is proposed to become effective, give written notice of the proposed adjustment to the parties to this 2018 Water Purchase Agreement.

(b) In the event of a disagreement between GBRA and any party over any adjustment proposed by GBRA to the Firm Water Rate or the Out-of-District Rate applicable to that party,
GBRA and that party may apply by appropriate means to the PUC to establish a just and reasonable adjustment or charge.

23. **Metering and Reporting.**

   (a) CRWA shall furnish, install, operate and maintain or cause to be furnished, installed, operated and maintained at the Point or Points of Delivery the necessary metering equipment and required devices of standard type for properly measuring the quantity of water delivered to CRWA and to calibrate such metering equipment at least once every twelve (12) months. A meter registering not more than five percent (5%) above or below the test results shall be deemed to be accurate. The previous readings of any meter disclosed by tests to be inaccurate shall be corrected for one-half (½) the period elapsed since the next preceding meter test but in no event to exceed six (6) months in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless GBRA and CRWA shall agree upon a different amount.

   (b) CRWA shall maintain an accurate measure of water delivered to the San Antonio River Basin, and to areas outside the GBRA Area, differentiated by systems which receive the water. Such records shall include a cumulative monthly record maintained by CRWA of water deliveries to the San Antonio River Basin, and to areas outside the GBRA Area, with a copy submitted to GBRA by the 10th day following the end of each month.

   (c) All measuring devices shall be subject at all reasonable times to inspection, examination and testing by GBRA and CRWA. Any measuring device which fails to function or which functions incorrectly shall promptly be adjusted, repaired or replaced by a like device having the required accuracy.
(d) GBRA may, at its expense, install and maintain such measuring devices as it deems appropriate to measure the quantity of water delivered to CRWA at a point in the delivery system before the water reaches a Point of Delivery, in which case measurement of water shall be made by GBRA's measuring devices.

(e) CRWA shall furnish GBRA on the first day of each month a tabulation indicating the total amount of water delivered during the previous month, as well as an accurate estimate of the total amount of water to be delivered in the month of the report.

(f) CRWA and each of the other parties also agree to furnish GBRA any additional information needed by GBRA to comply with the reporting requirements of the TCEQ.


(a) It is the intent of the parties to provide to the maximum extent practicable for the conservation of water, and CRWA, the GBRA-Area Participants and SAWS each agree that it will operate and maintain its facilities in a manner that will prevent waste of water. The GBRA-Area Participants and SAWS each further agrees to develop and implement a water conservation plan, drought management plan, and implement water conservation and drought management programs, applicable to the use of water by that party, if required by applicable law or regulation, or by GBRA.

(b) In the interest of protecting the water resources and the interests of the citizens of the GBRA Area, and in the event CRWA determines that some or all of the water provided to a Party under this 2018 Water Purchase Agreement (the Party’s “Total Annual Commitment”) is not required for use by that Party for the duration of the term of the 2018 Water Purchase Agreement, CRWA may elect, after written approval by that Party, to reduce the Party’s Total Annual Commitment by a corresponding amount for the duration of
the term of the 2018 Water Purchase Agreement (which shall reduce by a corresponding amount, the Total Annual Commitment) for the duration of the term of this 2018 Water Purchase Agreement.

(c) The quantity of water by which the Total Annual Commitment is reduced when CRWA elects to subtract from a Party’s Total Annual Commitment shall be referred to as the “Total Commitment Reduction.”

(d) CRWA agrees to provide GBRA with written notice of the amount of the Total Commitment Reduction and the effective date of such reduction (the “Reduction Date”) under this Section at least sixty (60) days prior to the date on which the Total Annual Commitment is to be reduced. Beginning on that Reduction Date, the Total Annual Commitment will be reduced and GBRA will be under no obligation to deliver the amount of water defined as the Total Commitment Reduction, or Reductions as the case may be.

(e) If CRWA provides GBRA timely notice of the Total Commitment Reduction then, from and after the Reduction Date, through the remaining term of this 2018 Water Purchase Agreement, CRWA’s Total Annual Commitment shall be reduced by the amount of the Total Commitment Reduction, CRWA shall have no right to be supplied the Total Commitment Reduction, GBRA shall have no obligation to supply the Total Commitment Reduction to any Party, CRWA shall no longer be obligated to make payment for the Total Commitment Reduction, and GBRA shall not be entitled to payment for the Total Commitment Reduction.
25. **Allocation During Drought**

(a) During drought conditions or in any other condition when water cannot be supplied to meet the demands of all customers, the water to be distributed shall be divided among all customers of stored water from Canyon Reservoir pro rata, according to the amount each may be entitled to, subject to reasonable conservation and drought management plans and requirements based on particular purposes of use of the water, so that preference is given to no one and everyone suffers alike.

(b) Any commitment that GBRA may agree to make under this 2018 Water Purchase Agreement to supply water for use in Bexar County shall be effective only if and to the extent that applicable laws, rules and regulations are construed to be consistent with the allocation set forth in subsection (a), above, and not construed to in any way reduce the total supply of water available from Canyon Reservoir solely because a portion of that water is being supplied to Bexar County.

26. **Quality of Untreated Water.**

The water to be supplied by GBRA hereunder shall be untreated water as it occurs in the Guadalupe River or other surface water or groundwater sources available to GBRA at the Point or Points of Diversion or Production, or as it is otherwise delivered to CRWA at the Point or Points of Delivery.

27. **Modification of 2018 Water Purchase Agreement.**

The provisions of this 2018 Water Purchase Agreement may be modified or altered only by written agreement of all of the parties; provided, however, that an additional entity to be supplied treated water by CRWA may be added as a party to this 2018 Water Purchase Agreement, or a party to this 2018 Water Purchase Agreement to be supplied treated water by CRWA may be deleted from this 2018 Water Purchase Agreement, or a party’s Long-Term Annual Commitment
or Short-Term Annual Commitment may be modified (with appropriate corresponding adjustments to the Long-Term Annual Commitment and Short-Term Annual Commitment), or the amount or amounts of water authorized for use by a party within the San Antonio River Basin may be modified, or a party’s service area within which water may be used under this 2018 Water Purchase Agreement may be modified, all by written agreement among only GBRA, CRWA and that party. Any new party to this 2018 Water Purchase Agreement that has a certificated service area or place of use at least partly within the GBRA Area as of the date of addition of such party to this 2018 Water Purchase Agreement shall be considered a GBRA-Area Participant under this 2018 Water Purchase Agreement. Any other new party shall be considered the same as SAWS under this 2018 Water Purchase Agreement.

28. Other Agreements.

(a) Nothing in this 2018 Water Purchase Agreement shall in any way limit or restrict GBRA’s absolute right to enter into other agreements with respect to the development, supply and/or treatment of water, with any party or parties that GBRA in its absolute discretion may choose including, without limitation, any party to this 2018 Water Purchase Agreement, on any terms or conditions to which GBRA in its absolute discretion may agree.

(b) Moreover, neither CRWA, nor any GBRA-Area Participant, nor SAWS, shall be entitled to any modifications to this 2018 Water Purchase Agreement or to any action by GBRA under this 2018 Water Purchase Agreement, in whole or in part on the grounds that any party to another agreement with GBRA is being treated more favorably, either because of the terms and conditions of that agreement or because of actions by GBRA under that agreement, or otherwise.

29. Regulatory Agencies.

This 2018 Water Purchase Agreement is subject to Certificate of Adjudication No. 18-
2074C, such other water rights that may be utilized by GBRA to supply water hereunder, and to such laws, rules, and regulations as may be applicable to this 2018 Water Purchase Agreement and as may be applicable to rights to use water or provide water for sale in the State of Texas. GBRA, CRWA, the GBRA-Area Participants and SAWS agree to cooperate with each other to obtain any permits, approvals or other authorizations as may be necessary or desirable to comply therewith.

30. Assignment.

Neither CRWA, nor any GBRA-Area Participant, nor SAWS, may assign any of its rights, duties or obligations under this 2018 Water Purchase Agreement other than to those holding mortgages on their respective water supply systems without the prior written consent of GBRA. Any successor or assign of GBRA shall succeed to the rights and obligations of GBRA hereunder.

31. Captions.

All titles of the sections of this 2018 Water Purchase Agreement have been inserted for convenience of reference only and are not considered a part of this 2018 Water Purchase Agreement and in no way shall they affect the interpretation of any provisions of this 2018 Water Purchase Agreement.

32. Termination.

If any party fails to pay GBRA any amounts payable by that party under this 2018 Water Purchase Agreement when due and payable, GBRA may give written notice of such delinquency to that party, and if all amounts due and unpaid, including interest thereon from the date payment was due at maximum legal rates, are not paid within thirty days after delivery of such notice, then GBRA may, at its option, institute suit for collection thereof and utilize such other remedies as may exist to collect any amounts due and unpaid, together with interest thereon at the maximum legal rate and attorney's fees. In addition to all other remedies, GBRA may, at its option, if such
amounts are not paid within said thirty day period, terminate this 2018 Water Purchase Agreement with respect to that party.

33. Remedies.

Unless a particular remedy procedure is set forth herein for any default under the 2018 Water Purchase Agreement, the parties hereto shall have available to them all remedies at law or in equity.

34. Venue.

The obligations and undertakings of each of the parties to this 2018 Water Purchase Agreement shall be deemed to be performed in Comal County, Texas. A lawsuit involving this 2018 Water Purchase Agreement brought by any party shall be brought only in Comal County, Texas.

35. Waiver.

Any waiver at any time by any party with respect to a default or other matter arising in connection with this 2018 Water Purchase Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

36. Entire Agreement.

This 2018 Water Purchase Agreement constitutes the entire agreement and supersedes all prior agreements, both written and oral, between and among the parties with respect to the subject matter thereof.

37. Governing Law.

This Contract shall be governed in all respects, including validity, interpretation and effect, by and shall be enforceable in accordance with the laws of the State of Texas.
38. Notices.

(a) Any notice provided for herein to any party shall be in writing and sent postage paid by certified United States mail, addressed to that party at the address set out for that party below:

Guadalupe-Blanco River Authority
Attention: General Manager/CEO
933 East Court Street
Seguin, Texas 78155

Canyon Regional Water Authority
Attention: General Manager
850 Lakeside Pass
New Braunfels, Texas 78130-8233

City of Cibolo
Attention: City Manager
P.O. Box 88
Cibolo, Texas 78108

City of Marion
Attention: Mayor
P.O. Box 275
Marion, Texas 78124

East Central Special Utility District
Attention: General Manager
P.O. Box 570
Adkins, Texas 78101

Green Valley Special Utility District
Attention: General Manager
P.O. Box 99
Marion, Texas 78124-0099

Springs Hill Water Supply Corporation
Attention: General Manager
P.O. Box 29
Seguin, Texas 78156-0029
(b) Each Party shall have the duty to timely notify the others of any changes of address. Notifications of a change in address for notice or change in recipient of notice shall be in writing and made to the other Parties in the manner prescribed in this Section.

39. **Condition Precedent; Effective Date.**

This 2018 Water Purchase Agreement shall take effect only in the event that it is signed by duly authorized representatives of all the parties thereto. Once it has been signed on behalf of all parties as provided in this Section, it shall take effect on the ____ day of ___________, 2018, which shall be the “Effective Date.”

40. **Termination Date.**

(a) This 2018 Water Purchase Agreement shall terminate as to SAWS on December 31, 2023 (the “SAWS Termination Date”) unless it is terminated earlier pursuant to the provisions hereof. SAWS shall no longer be a party to this Agreement after the SAWS Termination Date.

(b) This 2018 Water Purchase Agreement shall terminate as to all other parties (the “Non-SAWS Parties”) hereto on December 31, 2067 (the “Non-SAWS Party Termination Date”) unless it is terminated earlier pursuant to the provisions hereof or unless it is extended as provided in Subsection (c) of this Section 40.

(c) This 2018 Water Purchase Agreement shall be extended as to the Non-SAWS Parties beyond the Non-Saws Party Termination Date for one or two additional six-year terms if CRWA and the GBRA-Area Participants agree to either or both extensions by notifying GBRA in writing that they opt to extend the Agreement. Written notice must be provided to GBRA at least
90 days prior to the expiration of the initial term of this Agreement for the first six-year extension and ninety (90) days prior to the expiration of the first six-year extension for the second six-year extension. .

IN WITNESS WHEREOF, the parties hereto, acting under the authority of the respective governing bodies, have caused this 2018 Water Purchase Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.

[Signatures & Acknowledgments Follow on Separate Pages]
GUADALUPE-BLANCO RIVER AUTHORITY

By: ___________________________________
    Kevin Patteson, General Manager/CEO

ATTEST:_______________________

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

BEFORE ME, the undersigned Authority, on this day personally appeared Kevin Patteson, General Manager/CEO of the Guadalupe-Blanco River Authority, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____________ day of ________________, 2018.

____________________________________
Notary Public, the State of Texas
My Commission Expires: ________________
CANYON REGIONAL WATER AUTHORITY

By: ______________________________________
    David Davenport, General Manager

ATTEST:

______________________________

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

BEFORE ME, the undersigned Authority, on this day personally appeared David Davenport, General Manager of the CANYON REGIONAL WATER AUTHORITY, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____________day of ____________________, 2018.

_____________________________________
Notary Public, the State of Texas
My Commission Expires: _________________
CITY OF CIBOLO

By:_____________________________________

[Printed Name]

________________________________________
[Title]

ATTEST:

_____________________________________

THE STATE OF TEXAS  §
COUNTY OF _____________ §

BEFORE ME, the undersigned Authority, on this day personally appeared
_____________________________________
, __________________, of the CITY OF CIBOLO, known to
me to be the person whose name is subscribed to the foregoing instrument and acknowledged to
me that he executed the same for the purposes and consideration therein expressed, and in the
capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____________day of
________________, 2018.

_____________________________________
Notary Public, the State of Texas
My Commission Expires: ___________________
CITY OF MARION

By: ______________________________________

[Printed Name]

[Title]

ATTEST:

________________________________________

THE STATE OF TEXAS §
COUNTY OF _____________ §

BEFORE ME, the undersigned Authority, on this day personally appeared ________________________ of the CITY OF MARION, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ___________ day of ____________________, 2018.

_____________________________________
Notary Public, the State of Texas
My Commission Expires: _________________
EAST CENTRAL SPECIAL UTILITY DISTRICT

By: _________________________________

[Printed Name]

________________________
[Title]

ATTEST:

______________________________

THE STATE OF TEXAS §

COUNTY OF _____________ §

BEFORE ME, the undersigned Authority, on this day personally appeared ___________________________ of the EAST CENTRAL SPECIAL UTILITY DISTRICT, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____________ day of ________________, 2018.

_________________________________
Notary Public, the State of Texas
My Commission Expires: ________________
GREEN VALLEY SPECIAL UTILITY DISTRICT

By: ________________________________

[Printed Name]

[Title]

ATTEST:

_____________________________________

THE STATE OF TEXAS §

COUNTY OF _____________ §

BEFORE ME, the undersigned Authority, on this day personally appeared ____________________________, ___________________________________, of the GREEN VALLEY SPECIAL UTILITY DISTRICT, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____________day of ________________, 2018.

_____________________________________

Notary Public, the State of Texas
My Commission Expires: ________________
SPRINGS HILL WATER SUPPLY CORPORATION

By: _________________________________

[Printed Name]

[Title]

ATTEST:

____________________________

THE STATE OF TEXAS §

COUNTY OF _____________ §

BEFORE ME, the undersigned Authority, on this day personally appeared ___________________________ of the SPRINGS HILL WATER SUPPLY CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the __________ day of ____________________, 2018.

_________________________________
Notary Public, the State of Texas
My Commission Expires: ________________
SAN ANTONIO WATER SYSTEM

By: ________________________________

[Printed Name]

[Title]

ATTEST:

______________________________

THE STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned Authority, on this day personally appeared ____________________________ of the SAN ANTONIO WATER SYSTEM, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____________ day of ________________, 2018.

_____________________________________
Notary Public, the State of Texas
My Commission Expires: _________________
EXHIBIT “A”

Canyon Regional Water Authority
Point of Diversion
Guadalupe County, Texas

On the West bank of the Guadalupe River in the Moses Baker Grant (A-4), South 112º, 15’ East, 31,079 feet from the Northwest corner of the M. Chirino Grant (A-10) in Guadalupe County, Texas. Said corner is also located on the West bank of the Guadalupe River.
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 FOR PAYMENT OF FUNDS TO GUADALUPE VALLEY ELECTRIC COOPERATIVE FOR DESIGN AND CONSTRUCTION OF ELECTRICAL SERVICE FOR THE VISTA RIDGE REGIONAL SUPPLY PROJECT INTERMEDIATE PUMP STATION 2 FACILITIES

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves payment of funds to Guadalupe Valley Electric Cooperative (the “GVEC”) a non-local, 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. This resolution approves funds in the amount of $500,000.00 for materials to begin construction of electrical service for the Intermediate Pump Station 2 Facilities.

- The Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement (the “WTPA”) places on the Vista Ridge Project Company (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 also places upon the System, the responsibility for establishing electric power service for project facilities to be constructed by the Project Company. Electric service is essential for the 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 Vista Ridge Supply 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, and Intermediate Pump Station 1 Facilities. GVEC 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.
Approval of Payment for
Electrical Service for the Vista Ridge Project

- The amount of $500,000.00 provides funds to GVEC for materials to begin construction of the overhead electrical service feeder serving the Intermediate Pump Station 2 Facilities located near Seguin, Texas in Guadalupe County. This is the second of three requests for funds in association with the agreement with GVEC. After the overhead electrical feeder is fully constructed (late 2018), staff will propose, for the board’s approval, a third request for funds to cover the remaining construction balance. The anticipated, full value of the agreement for electrical service to Intermediate Pump Station 2 is expected to be $850,000 exclusive of any additional electrical easements GVEC may have to obtain.

- The Vista Ridge Regional Supply Intermediate Pump Station 2 falls within GVEC’s exclusive service area.

- The scope of services for this agreement includes the design and construction of approximately two miles of overhead electrical feeder from an existing nearby electrical sub-station, a primary service meter, and transformers at the pump station site.

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).

Mary Jones, P.E.
Manager
Water Resources

For
Donovan S. 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 PAYMENT OF FUNDS TO GUADALUPE VALLEY ELECTRIC COOPERATIVE IN AN AMOUNT NOT TO EXCEED $500,000.00 FOR DESIGN AND CONSTRUCTION OF ELECTRICAL POWER SERVICE FOR THE VISTA RIDGE REGIONAL SUPPLY PROJECT INTERMEDIATE PUMP STATION 2 FACILITIES IN FULFILLING OBLIGATIONS TO ESTABLISH ELECTRIC POWER SERVICE; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $500,000.00 FROM THE SYSTEM’S FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY GUADALUPE VALLEY ELECTRIC COOPERATIVE AN AMOUNT NOT TO EXCEED $500,000.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement (WTPA) places on the Vista Ridge Project Company (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; and

WHEREAS, the WTPA also 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 39 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 Vista Ridge Supply Project Facilities to be constructed by the Project Company. Bluebonnet Electric Cooperative will design and construct the electrical power service for the Well Field, High Service Pump Station, and Intermediate Pump Station 1 Facilities, Guadalupe Valley Electric Cooperative (GVEC) 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; and

WHEREAS, the amount of $500,000.00 provides funds to GVEC for materials to begin construction of the overhead electrical service feeder serving the Intermediate Pump Station
2 Facilities located near Seguin Texas in Guadalupe County. This is the second of three requests for funds in association with the agreement with GVEC. After the overhead electrical feeder is fully constructed (late 2018), staff will propose, for the board’s approval, a third request for funds to cover the remaining construction balance. The anticipated, full value of the agreement for electrical service to Intermediate Pump Station 2 is expected to be $850,000.00 exclusive of any additional electrical easements GVEC may have to obtain.; and

WHEREAS, the Vista Ridge Regional Supply Intermediate Pump Station 2 falls within GVEC’s exclusive service area; and

WHEREAS, the scope of services includes the design and construction of approximately 2 miles of overhead electrical feeder from an existing nearby electrical sub-station, a primary service meter, and transformers at the pump station site; and

WHEREAS, the amount of $500,000.00 is available from the System’s Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve payment of funds to GVEC in an amount not to exceed $500,000.00 for construction materials to begin the project work in connection with the Vista Ridge Regional Supply Project, (ii) to authorize and make available an amount not to exceed $500,000.00 from the System Fund to begin the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay GVEC an amount not to exceed $500,000.00 to begin the project work; now, therefore:

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

1. That a payment is hereby approved to GVEC in an amount not to exceed $500,000.00 for construction materials to begin the project work in connection with the Vista Ridge Regional Supply Project is hereby approved.

2. That an amount not to exceed $500,000.00 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 pay GVEC an amount not to exceed $500,000.00 for the design and construction of electrical power service for the Well Field Facilities in connection with the Vista Ridge Regional Supply Project in accordance with the preceding terms.

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 7th day of August 2018.

_____________________________
Berto Guerra Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

FROM: Gavino Ramos, Vice President, Communications, External Affairs and Conservation

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

SUBJECT: AUTHORIZE ADDITIONAL SERVICES AND FUNDS IN CONNECTION WITH THE MARKETING AGREEMENT WITH THE SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION, INC.

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 15-046 by authorizing additional services and funds to an existing marketing agreement with the San Antonio Economic Development Foundation, Inc., (EDF) in an amount not to exceed $120,000.00 for the period through August 31, 2019.

- EDF is a non-profit organization founded in 1975 to promote the economic and industrial development of the San Antonio metropolitan area. EDF positions San Antonio in the national and international business community as an attractive site for production facilities, distribution centers, and administrative offices.

- On February 10, 2015, by Resolution No. 15-046, the San Antonio Water System (SAWS) Board of Trustees approved a five-year marketing agreement with the EDF and approved the expenditure of $194,000.00 from the System Fund for the period through August 31, 2019.

- Under the terms of this agreement, EDF will continue its primary role of attracting prospective business and industry to San Antonio. In addition, EDF will promote water and wastewater services, including the sale of recycled water to industries that can utilize recycled water, especially near our water recycling centers located in south Bexar County or our recycling system.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The additional services in the amount of $60,000.00 will be paid from the System Fund budgeted in the 2018 budget (Company: 1000, Accounting Unit: 5002700, Accounts: 511250, Total 2018 amount $100,000.00).
The additional services in the amount of $60,000.00 will be paid from the System Fund budgeted in the 2019 budget (Company: 1000, Accounting Unit: 5002700, Accounts: 511250, Total 2019 amount $100,000.00).

The value of the additional services is $120,000.00 for a total amount of $314,000.00 for the period ending August 31, 2019.

Gavino Ramos, Jr.
Vice President, Communications, External Affairs
and Conservation

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING ADDITIONAL SERVICES AND EXPENDITURES TO THE EXISTING MARKETING AGREEMENT WITH THE SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION, INC. IN AN AMOUNT NOT TO EXCEED $120,000.00 FOR THE PERIOD THROUGH AUGUST 31, 2019 FOR THE IDENTIFICATION AND DEVELOPMENT OF POTENTIAL CUSTOMERS FOR THE SAN ANTONIO WATER SYSTEM; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $120,000.00 FROM THE SYSTEM FUND, AND THAT FUTURE YEAR'S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR'S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE AMENDMENT TO THE MARKETING AGREEMENT AND TO PAY THE SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION, INC., AN AMOUNT NOT TO EXCEED $120,000.00 UNDER THE TERMS OF THE AGREEMENT; FINDING THIS RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Economic Development Foundation, Inc., (EDF) has a recognized unique, professional expertise in identifying, targeting, and attracting national and international industry to the City of San Antonio; and

WHEREAS, on February 10, 2015 by Resolution No. 15-046, the San Antonio Water System’s (the “System”) Board of Trustees approved the a five-year marketing agreement with the EDF and approved the expenditure of $194,000.00 for the period through August 31, 2019; and

WHEREAS, the System wishes to increase the funding to the existing marketing agreement; and

WHEREAS, the EDF will continue its primary role of attracting prospective business and industry to San Antonio; and
WHEREAS, San Antonio Water System Board of Trustees desires to (i) approve additional services and expenditures to the existing marketing agreement with the EDF in an amount not to exceed $120,000.00 for the period through August 31, 2019 for the identification and development of potential customers for the System, (ii) authorizing the expenditure of funds in an amount not to exceed $120,000.00 from the System Fund, and that future year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iii) authorizing the President/Chief Executive Officer or his duly appointed designee to execute the amendment to the marketing agreement and to pay EDF an amount not to exceed $120,000.00 under the terms of the agreement; now, therefore:

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

1. That Resolution No. 15-046 is hereby amended by authorizing additional services and funds to the existing marketing agreement with EDF in an amount not to exceed $120,000.00 for the period through August 31, 2019.

2. That the expenditure of an amount not to exceed $120,000.00 is hereby made available and to be expended from the System Fund, and that future year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the marketing agreement with EDF and to pay EDF an amount not to exceed $120,000.00 under the terms of the agreement.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 7th day of August 2018.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: APPROVING AN INTERLOCAL AGREEMENT AND TERM WHOLESALE WATER SERVICE CONTRACT BETWEEN THE SAN ANTONIO WATER SYSTEM AND KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution relates to an Interlocal Agreement and Term Wholesale Water Service Contract (the Contract) between San Antonio Water System (SAWS) and Kendall County Water Control and Improvement District No. 3 (WCID No. 3), a potential development area of approximately 1,056 acres.

- SAWS entered into a Utility Service Agreement (USA) with Bakke Development (Bakke), on March 27, 2018, to provide retail services to a 375 acre development area within the WCID No. 3.
  - The USA will expire on August 15, 2018 if it is not properly recorded by Bakke.
  - It is anticipated that the current USA will expire on August 15th or be terminated by the parties.

- WCID No. 3 is located in Kendall County outside of both SAWS Certificate of Convenience and Necessity (CCN) and the City of San Antonio’s Extraterritorial Jurisdiction (ETJ).

- SAWS and Guadalupe-Blanco River Authority (GBRA) entered into a Regional Water Supply Project for portions of Comal, Kendall, and Bexar Counties in March of 2000 which provides SAWS water from Canyon Lake. This agreement expires on December 31, 2037.

- Currently, all water delivered by GBRA to SAWS is required to be used within Bexar County, and within SAWS service area (CCN) unless SAWS obtains approval from GBRA for this use. The GBRA Board granted authority to staff on May 16, 2018 to approve this usage.

- Currently, the Edwards Aquifer Act may be interpreted to prohibit SAWS from providing Edwards Aquifer water into Kendall County.
Given the constraints of providing water into the WCID No. 3, in order to wholesale water to the development area, with final approval of GBRA, it is anticipated that SAWS would be able to provide Canyon Lake water on a wholesale basis to WCID No. 3 during the term of the contract with GBRA, through 2037.

- The President/Chief Executive Officer or his duly appointed designee would be authorized to negotiate and execute an amendment and other agreements with GBRA necessary for approval of SAWS to provide water services outside SAWS CCN and Bexar County.

- This item would approve a term wholesale agreement with WCID No. 3 to provide water under several conditions:

  o WCID No. 3 agrees to an annual commitment from SAWS of a total of 1,500 Acre-Feet through 2037, with a specific schedule of increasing annual water take amounts beginning in 2020 with 80 acre-feet.

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<th>Calendar Year</th>
<th>Total Aggregate Amount</th>
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<tr>
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<tr>
<td>2032 until end of term</td>
<td>1,500 acre feet</td>
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</tbody>
</table>

* Subject to critical period cutback pursuant to Section 6.02 of the Contract

  o WCID No. 3 agrees the annual volume is subject to Critical Period cutbacks based on Edwards Aquifer Authority established Critical Periods, or any GBRA cutbacks.

  o WCID No. 3 will pay SAWS the water rate charged in accordance with the wholesale water rates established by the City of San Antonio Ordinance which may be amended from time to time.

  o The WCID No. 3 has agreed to development conditions as a requirement for SAWS to provide water services, including:
- Drainage Pollution Prevention and Control
- Tree Preservation and Canopy Coverage
- SAWS Construction Standards
- Dark Sky Requirements
- Drought Management Restrictions
- Declaration of Restrictive Covenants must be filed in Bexar & Kendall Counties by February 7, 2019

- The agreement provides for an initial point of delivery to the SAWS distribution system, and it also provides for a final point of delivery. The initial point of delivery will be in place along SAWS existing infrastructure. If the legal ability to serve Edwards Aquifer water in Kendall County is resolved through legislative action, the final delivery point will remain in this location. Should the legislation not change by 2025, the final point of delivery will change to a point along the GBRA pipeline, creating a new take point for SAWS during the remaining period of the agreement. The agreement requires that, if the legislation is not changed by 2021, the development will identify the final delivery point and be required to begin the process of Design, Right of Way acquisition, and ultimately construction to be completed by 2025.

- WCID No. 3 shall pay the impact fees as each meter (homes/businesses) is connected within the WCID. The amount of the impact fees shall be based on the impact fee rates in effect at the time of meter installation.

This contract does not provide for renewals if the legislation is not changed to clearly allow Edwards Aquifer water to the development area. If the legislation is clarified, the agreement allows the parties to mutually agree to two renewal periods of 10 years each with a request to be provided five years prior to the expiration of the then existing term of the agreement.

**FINANCIAL IMPACT:**

WCID No. 3 agrees to an annual commitment of 80 acre-feet of water commencing 2020 and escalating annually to 1,500 acre-feet of water per year from 2032 through 2037 at the applicable wholesale rate set through the San Antonio City Council as amended from time to time. No revenue will be derived from this Agreement in 2019. Using only City Council-approved Wholesale rates for 2019 and assuming only base consumption, estimated annual revenues will range from approximately $136,973.00 in 2020 to $2,453,430.00 beginning in 2032, totaling an estimated $27,587,659.00 throughout the entire agreement subject to rate adjustments.

The WCID will be given two opportunities, 2024 and 2027, to make a one-time election to permanently reduce or release its annual commitment beginning in that following calendar year.
Interlocal Agreement and Term Wholesale Water Service Contract
between San Antonio Water System and Kendall County Water
Control and Improvement District No. 3

Darren Thompson, Director
Water Resources

Donovan Burton, Vice President
Water Resources & Governmental Relations

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3, APPROVING AN INTERLOCAL AGREEMENT AND TERM WHOLESALE WATER SERVICE CONTRACT WITH KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT AND TERM WHOLESALE WATER SERVICE CONTRACT WITH KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3; 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 action concerns both the San Antonio Water System (the “System”) and Kendall County Water Control and Improvement District No. 3 (“WCID No. 3”); and

WHEREAS, the System and WCID No. 3 have agreed to enter into an Interlocal Agreement and Term Wholesale Water Service Contract (the “Contract”); and

WHEREAS, it is anticipated that the Guadalupe Blanco River Authority (GBRA) will give the necessary approvals for the System to serve Canyon Lake water at least through 2037, and this would be the best potential source of water for the development area; and

WHEREAS, System staff have determined that adequate capacity exists in the infrastructure to serve WCID No. 3; and

WHEREAS, the requirements in the contract include:

- WCID No. 3 is responsible for following development conditions including: drainage pollution prevention and control, tree preservation and canopy coverage, SAWS construction standards, dark sky requirements, and drought management restrictions.

- WCID No. 3 agrees to an Annual Commitment to purchase from the System 80 acre-feet of water per year increasing to 1,500 acre-feet in 2032 subject to an annual increase amount commencing in 2020 subject to the terms of the Agreement.
WCID No. 3 agrees to several conditions precedent to wholesale water service being provided, including finalizing an agreement with the GBRA, filing Declarations of Restrictive Covenants, permanent approval of the WCID and adopting appropriate service regulations within the WCID.

A series of milestone dates are included in the agreement to require that, if legislation isn’t clarified to clearly allow Edwards Aquifer water to be served in the development area, the WCID will begin the process of design and construction activities to connect directly to the GBRA transmission pipeline that provides water to SAWS.

WHEREAS, the President/Chief Executive Officer or his duly appointed designee shall be authorized to negotiate and execute an amendment to the GBRA Agreement for approval for the System to provide water services outside the Systems CCN and Bexar County; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Interlocal Agreement and Term Wholesale Water Service Contract with Kendall County Water Control and Improvement District No. 3 in substantially the form attached hereto as Exhibit I, and (ii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the contract; now, therefore:

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

1. That the Interlocal Agreement and Term Wholesale Water Service Contract between the System and WCID No. 3 is hereby approved in substantially the form attached hereto (Exhibit I).

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to negotiate an amendment and other related agreements with the Guadalupe Blanco River Authority necessary for approval of the System to provide water services outside the System’s CCN and Bexar County.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Contract.

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 7th day of August, 2018

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary

Exhibit
I - Interlocal Agreement and Term Wholesale Water Service Contract
INTERLOCAL AGREEMENT AND  
TERM WHOLESALE WATER SERVICE CONTRACT  
KENDALL COUNTY  
WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3  

This Interlocal Agreement and Term Wholesale Water Service Contract (the “Contract”), is entered into to be effective this ______ day of August, 2018, (the “Effective Date”) by and between the San Antonio Water System Board of Trustees, a water, wastewater, and water reuse utility established pursuant to the provisions of City Ordinance No. 75686 (the Indenture Ordinance), Texas Government Code Sections 552.141 et seq. and Chapter 1502, as amended, Texas Government Code, acting by and through its President and CEO, Robert R. Puente, pursuant to Board Resolution No. XXXXXX (“SAWS” or “System”), and Kendall County Water Control and Improvement District No. 3 (“WCID No. 3”), a water control and improvement district created under Section 59, Article XVI of the Texas Constitution (the System and the WCID No. 3 being collectively referred to in this Contract as the “Parties”, or individually, as a “Party”).

Whereas, on March 27, 2018 the System and Bakke Development entered into a Utility Service Agreement (“USA”), which was approved by the System’s Board of Trustees (“Board”) Resolution No. 18-072 to provide services to the 374.86 development area in Kendall County, Texas that is more described and depicted as three tracts of land (212.337 acres, 120.076 acres and 42.451 acres) in Attachment I attached to and incorporated in this Contract (the “Bakke Development Tract”); and

Whereas, contemporaneously with the Effective Date of this Contract, Bakke Development has terminated the USA, as the conditions precedent to its effectiveness will not be satisfied; and

Whereas, WCID No. 3 was created by SB 914 of the 85th Legislative Regular Session, affecting approximately 1,012.262 acres of land in Kendall and Bexar Counties, Texas more particularly described and depicted in Attachment II attached to and incorporated in this Contract (the “Original WCID Tract”); and

Whereas, the 212.337 acre tract and the 120.076 acre tract that comprise a portion of the Bakke Development Tract are currently part of the Original WCID Tract, and the 42.451 acre tract that comprises a portion of the Bakke Development Tract is planned to be annexed by WCID No. 3; and therefore, that certain 1,054.713 acre tract being comprised of Original WCID Tract and the 42.451 acre tract that comprises a portion of the Bakke Development Tract shall be referred to in this Contract as the “WCID Tract”; and

Whereas, the System 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 the System water from Canyon Lake that expires on December 31, 2037, or such earlier date as may be provided in the GBRA Agreement (the “GBRA Termination Date”); and
Whereas, the System is currently prohibited from providing water it receives pursuant to the GBRA Agreement outside of its certificate of convenience and necessity ("CCN") or outside Bexar County; and

Whereas, pursuant to this Contract, and subject to satisfaction of all conditions precedent herein, unless and until the EAA Act Condition (as defined in Section 2.02 below) is satisfied in the discretion of the System, the System will provide WCID No. 3 with a wholesale water supply solely from the water supply the System receives under the GBRA Agreement for the term provided for in this Contract; and

Whereas, the Edwards Aquifer Authority Act (the "EAA Act") is currently interpreted to prohibit the System from providing water to Kendall County; and

Whereas, unless and until the EAA Act Condition (as defined in Section 2.02 below) is satisfied in the discretion of the System, the System will not be obligated to provide the WCID No. 3 with water from any sources or supplies other than the water supply the System receives under the GBRA Agreement; and

Whereas, unless and until the EAA Act Condition (as defined in Section 2.02 below) is satisfied in the discretion of the System, both parties intend for the supply under this Contract to expire on the earlier of the termination of this Contract pursuant to the terms hereof, or the GBRA Termination Date; and

Whereas, WCID No. 3 must develop a water supply, wholesale or retail, to replace this wholesale water supply prior to the expiration of this Contract, which may be from the GBRA or some other entity or source; and

Whereas, WCID No. 3 has represented to the System that the GBRA has agreed to provide WCID No. 3 with a wholesale water supply beginning on the GBRA Termination Date (form acceptable to WCID No. 3 is attached and incorporated into this Contract as Attachment III), to replace the water provided pursuant to this Contract, and the System, in reliance upon this representation, has agreed to enter into this Contract, and

Whereas, WCID No. 3 has agreed to pay all applicable water rates and agrees the Annual Commitment (as hereinafter defined) is subject to critical period cutbacks; and

Whereas, WCID No. 3 desires to enter into this Contract for water service with the System for the limited term hereof; and

Whereas, this is an Interlocal Agreement between the Parties pursuant to the Interlocal Cooperation Act, Chapter 791 of the Government Code; and

Whereas, either party would otherwise have the authority to perform the functions or services of this Contract individually; and

Whereas, both parties find that the amounts described in this Contract fairly
compensate the performing party for the services or functions performed hereunder and that those payments are from revenues currently available; and

Whereas, this Contract has been authorized by the SAWS Board of Trustees, by Resolution No. 17-___, dated ______________, 2018, and the WCID No. 3 Board, by Resolution No. ____________, dated __________, _____; and

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.00 **Intent of the Parties**

The purpose of this Contract is to deliver water to WCID No. 3 for drinking and domestic purposes on a temporary wholesale basis, until the GBRA Termination Date or failure to complete the required improvements related to the Initial Point of Delivery or the Final Point of Delivery, as hereinafter defined and described in Section 2.00. Both Parties acknowledge and agree that water service shall be provided in accordance with the terms and conditions set out herein and pursuant to all applicable local, state, and federal laws. Both Parties further acknowledge and agree that the Recitals above are incorporated herein as true and correct.

2.00 **Point of Delivery – Initial and Final**

2.01 The Parties hereto agree that the initial point of delivery shall be at the location identified and labelled “Initial Point of Delivery” in Attachment IV attached hereto and incorporated herein (the meter(s) set at such location shall be referred to in this Contract as the “Initial Point of Delivery”).

2.02 The Parties acknowledge that the Initial Point of Delivery may be temporary. In the event that legislation is changed in SAWS discretion to permit water withdrawn from the Edwards Aquifer to be used for service to the WCID Tract in Kendall County, Texas (such change in legislation being referred to in this Contract as the “EAA Act Condition”), the Initial Point of Delivery shall become the “Point of Delivery” for all purposes under this Contract. Notwithstanding anything in this Contract to the contrary, neither the System nor WCID No. 3 shall have any duty, express or implied, to satisfy the EAA Act Condition, the consequence of which failure shall be the obligation of WCID No. 3 to do all things required to change the Initial Point of Delivery to the Final Point of Delivery within the timeframes set forth in this Contract.

2.03 In the event that the EAA Act Condition is not satisfied in SAWS’ discretion by September 1, 2021 (or such later date as may be approved by the System in its discretion), WCID No. 3 shall propose to the System the location of a new point of delivery, which shall be subject to the written approval of the System in its discretion (and any approval required by GBRA, if applicable) (such approved location being the “Final Point of Delivery”). WCID No. 3 shall commence and diligently prosecute to completion on or before September 1, 2023 (or such later date as may be approved by the System in its discretion, and such date
being referred to herein as the “FPOD Design Deadline”), (i) the proposed alignment to change the Initial Point of Delivery to the Final Point of Delivery, and (ii) the final design of all infrastructure and improvements necessary, required or advisable to change the Initial Point of Delivery to the Final Point of Delivery, including, without limitation, the tap, piping, valve and meter required for the System side of the Final Point of Delivery (collectively, the “Final Point of Delivery Improvements”); provided, however, if WCID No. 3 has timely commenced and is actively and diligently prosecuting the completion the activities in (i) and (ii) using its best efforts, the FPOD Design Deadline may be extended to a date not later than March 1, 2024 upon written notice from WCID No. 3 to the System, and thereafter the FPOD Design Deadline shall be March 1, 2024. Both Parties understand that Texas Government Code, Chapter 791.026 (d) (2) applies to this provision and agree that it may be enforced by court order.

2.04 In the event that the EAA Act Condition is not satisfied in SAWS’ discretion by FPOD Design Deadline (or such later date as may be approved by the System in its discretion), WCID No. 3 shall commence and diligently prosecute to final completion on or before December 31, 2025 (or such later date as may be approved by the System in its discretion), (i) the acquisition of all easements and interests in real estate necessary, required or advisable to change the Initial Point of Delivery to the Final Point of Delivery, and (ii) the construction of the Final Point of Delivery Improvements. WCID No. 3 shall be solely responsible for all risks, costs and expense of the Final Point of Delivery Improvements and any and all other risks, costs or expenses of designing and constructing any and all improvements and infrastructure necessary, required or advisable to change the Initial Point of Delivery to the Final Point of Delivery. From and after the earlier of (i) the date of final completion of the Final Point of Delivery Improvements, or (ii) December 31, 2025 (or such later date as may be approved by the System in its discretion), the Final Point of Delivery shall be the Point of Delivery for all purposes for the remainder of the term of this Contract. Both Parties understand that Texas Government Code, Chapter 791.026 (d) (2) applies to this provision and agree that it may be enforced by court order.

2.05 In the event that the EAA Act Condition is not satisfied in SAWS’ discretion by December 31, 2025 (or such later date as may be approved by the System in its discretion), and WCID No. 3 fails to achieve the easement acquisition, design requirement, or final completion of construction of the Final Point of Delivery Improvements as set forth in this Section 2, SAWS may, in its discretion, terminate this Contract by providing one hundred eighty (180) days written notice to WCID No. 3, in which case this Contract shall automatically terminate, and neither Party shall have any further rights, duties or obligations, and the System shall not be obligated to provide wholesale, retail or other services to WCID No. 3 or the WCID Tract. Both Parties understand that Texas Government Code, Chapter 791.026 (d) (2) applies to this provision and agree that it may be enforced by court order.

3.00 General Obligations of Parties In Relation to the Established Point of Delivery

3.01 The System shall furnish, own, install, operate, calibrate, and maintain at its own expense all the necessary facilities to deliver the water to the Point of Delivery under this Contract and metering equipment and other devices required for properly measuring the
quantity of water delivered to WCID No. 3. The System's obligations under this Contract shall terminate at the Point of Delivery and consistent with Section 5.03 below.

3.02 WCID No. 3 shall construct, own, and maintain, at its own expense, all infrastructure, including, but not limited to, mains, pump stations, valves, tanks and service lines required for the storage, treatment, transmission, and delivery of water from the Point of Delivery ("Water Supply Assets"). WCID No. 3 shall also be responsible for acquiring any necessary real property interests to support the Water Supply Assets, including, but not limited to, any fee or easement interests. In the event that the Initial Point of Delivery is changed to the Final Point of Delivery as described in Section 2.00 above, in addition to the requirements in the preceding sentence, WCID No. 3 shall also be responsible for all actual costs of the System for facilities and infrastructure necessary or desirable to change the Initial Point of Delivery to the Final Point of Delivery and furnish and measure water at the Final Point of Delivery, including but not limited to all real property interests and Final Point of Delivery Improvements; provided, however, all such facilities and improvements shall be owned by the System.

4.00 Specific Obligations of WCID No. 3

4.01 WCID No. 3 acknowledges and agrees that unless and until the EAA Act Condition is satisfied, the water supplied by the System shall be exclusively from the water supplied to the System pursuant to the GBRA Agreement and that this Contract does not confer any right to use any other System water supply, including, but not limited to, water produced from the Edwards Aquifer.

4.02 WCID No. 3 acknowledges and agrees that in the event the System's ability to provide water under the GBRA Agreement is curtailed or limited, the water being supplied to WCID No. 3 under this Contract may be comparably reduced at the sole discretion of the System. WCID No. 3 further acknowledges that the System shall not be liable in any way in the event of a reduction or suspension of water services under this subsection.

4.03 WCID No. 3 shall perform all necessary tests to insure that all applicable water quality standards are met due to the blending of water supplied by the System with water generated by WCID No. 3 or supplied by other third party sources, should multiple sources of water be mixed, or by aging within the System’s infrastructure or Water Supply Assets at the time of delivery.

4.04 WCID No. 3 is responsible for complying with applicable Texas Commission on Environmental Quality (including any successors to such agency, “TCEQ”) regulations when dealing with communication and notification of positive distribution samples. WCID No. 3 shall be responsible for all costs related to their failure to notify the System within the TCEQ regulatory guidelines if it negatively impacts the System’s ability to comply with the TCEQ regulations for which the System is responsible.

4.05 WCID No. 3 shall not resell any water supplied under this Contract to any wholesale water customer, without the prior written consent of System’s Board of Trustees in its
discretion. As of the Effective Date of this Contract, WCID No. 3 shall only supply such water to its retail customers located within the Bakke Development Tract. In the event WCID No. 3 elects to provide any water provided under this Contract to its retail customers within the WCID Tract, prior to and as a condition of such service, WCID No. 3 shall cause the owners of said property to execute and record in the real property records in the county in which said property is located, a Declaration of Restrictive Covenants in substantially the form developed pursuant to Section 22.06 below, which shall be provided to the System for review and approval prior to recording. A recorded copy of said Declaration of Restrictive Covenants shall be provided to the System as soon as reasonably practicable. From and after the date of providing the System with said recorded copy of such Declaration of Restrictive Covenants, WCID No. 3 may supply water to its retail customers located within the property encumbered with such restrictive covenants.

4.06 WCID No. 3 shall make the required payments in accordance with Section 7 of this Contract.

4.07 WCID No. 3 shall develop and implement a water conservation plan using the applicable elements of 30 TAC Chapter 288. WCID No. 3 agrees to make available a copy of the approved Conservation Plan to the System upon request.

4.08 WCID No. 3 represents and warrants that it has a binding agreement with the GBRA to provide wholesale water after the GBRA Termination Date specifically to replace the wholesale water supply described in this Contract. WCID No. 3 acknowledges and agrees that, unless and until the EAA Act Condition is satisfied in the discretion of the System, the System will not have access to the GBRA water provided pursuant to this Contract after the GBRA Termination Date, and that the System may not have the ability, authority or desire to supply any water beyond the term of this Contract. Therefore, unless and until the EAA Act Condition is satisfied in the discretion of the System, WCID No. 3 shall be responsible for development of another water supply to wholly replace the water supplied by this Contract by January 1, 2031 (or such later date as may be approved by the System in its discretion). This replacement water supply may be from the GBRA or some other entity or source, however, WCID No. 3 acknowledges and agrees that it will not have any rights to the System’s water supply beyond the term of this Contract even if GBRA does not comply with its agreement with WCID No. 3 to replace the water supplied pursuant to this Contract. Both Parties understand that Texas Government Code, Chapter 791.026 (d) (2) applies to this provision and may be enforced by court order.

4.09 WCID No. 3 shall not apply for, or receive, a certificate of convenience and necessity (“CCN”) from the Texas Public Utility Commission (or any successor to said regulatory authority) to serve inside or outside of the WCID Tract, and WCID No. 3 shall not protest or contest the CCN application of the System affecting property outside of the WCID Tract. WCID No. 3 shall provide written notice to the System within two (2) weeks of receiving notice of any CCN application by a third party for water service within the WCID Tract and WCID shall timely protest said application.
4.10 WCID No. 3 is not prohibited by this Contract from annexing any property or expanding its boundaries beyond the WCID Tract; provided, however, WCID No. 3 shall not resell any water supplied under this Contract to any property or water customer beyond the WCID Tract as expressly defined herein (without any such annexation or expansion) without the prior written consent of the System in its discretion.

4.11 WCID No. 3 shall not change to another district form without the consent of the System in its discretion.

4.12 WCID No. 3 shall not impose any duties, obligations or requirements on or affecting the System.

4.13 Operating Expenses. WCID No. 3 represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary operating expense of its system and that all such payments will be made from the revenues of its system. WCID No. 3 represents and has determined that the potable water supply to be obtained from SAWS is absolutely necessary and essential to the present and future operation of its water system and is the only initial available and adequate source of supply of potable water. Accordingly, all payments required by this Contract to be made by WCID No. 3 shall constitute reasonable and necessary operating expense of its respective system as described above, with the effect that the obligation to make such payments from revenues of such systems shall have priority over any obligation to make any payments from such revenues (whether of principal, interest, or otherwise) with respect to all bonds or other obligations heretofore or hereafter issued by WCID No. 3, to the extent allowed by law.

4.14 Rates for Waterworks System. WCID No. 3 agrees throughout the term of this Contract to continuously operate and maintain its waterworks system, and to fix and collect such rates and charges for water services to be supplied by its waterworks system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract and (ii) all other amounts required to be paid from said revenues by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding and to file appropriate financial reports related to WCID No. 3’s system including annual audits.

5.00 Specific Obligations of System

5.01 The System shall deliver water to WCID No. 3 under this Contract at the Point of Delivery described in Section 2.00 of this Contract.

5.02 The System shall supply water to the Point of Delivery which meets the applicable local, state and federal requirements for potable water.

5.03 The System will perform monthly meter reads at the Point of Delivery, and shall provide copies of same to WCID No. 3. The System may from time-to-time, or upon the request of WCID No. 3 not more than once every twelve (12) consecutive months, test the accuracy of the meter(s) at the Point of Delivery. The System shall use good faith efforts
to notify WCID No. 3 within a reasonable time in advance of said tests, so that WCID No. 3 may observe the meter accuracy testing. SAWS shall provide a copy of said test results to WCID No. 3 as soon as reasonably practical.

5.04 The System shall supply water solely from the water supplied to the System pursuant to the GBRA Agreement; provided, however, if the EAA Act Condition is satisfied in SAWS discretion, the System may supply water from other sources in its discretion.

6.00 Annual Commitment and Rates

6.01 WCID No. 3 agrees to an annual commitment to purchase from the System (the “Annual Commitment”) water, on a take-or-pay basis, subject to terms set out herein. The Annual Commitment is the quantity of water to be paid for in phases, whether taken or not, on an annual basis throughout the term of this Contract, as set forth on Attachment V attached to and incorporated into this Contract, subject to critical period cutbacks as described in Section 6.02.

6.02 The System relies heavily on the water produced from the Edwards Aquifer to provide services, both retail and wholesale, throughout the System. The Edwards Aquifer Authority (“EAA”) imposes limitations on the amount of Edwards Aquifer water available to the System during times of established critical periods as determined by the EAA (“Critical Periods”). The System further determines the percentage cut-back to-date, as each Critical Period is imposed. To support the System’s efforts to comply with the EAA Critical Period restrictions, the amount available to WCID No. 3 during any calendar year will be reduced by the same average cut-back percentages the EAA imposes upon the System during that calendar year as per Texas Water Code Section 11.039, regardless of whether water supplied under this Contract is produced from the Edwards Aquifer or otherwise. On or about April first, June first, and September first, the System will make a good faith effort to electronically notify WCID No. 3 by email documenting the estimated Critical Period cutback to date and projected annual Critical Period cutback. At any time during the year, WCID No. 3 may request from the System an estimate of the Critical Period reduction from the Annual Commitment.

6.03 WCID No. 3 shall pay the System the wholesale monthly water service availability charge as established by City of San Antonio Ordinance and referenced in the City of San Antonio Code, which may be amended, or repealed and replaced (“City of San Antonio Ordinance”) for each service connection identified in Section 2.00. Additionally, based upon the aggregate volume of water taken each month through the Point of Delivery described in Section 2.00 of this Contract, WCID No. 3 shall pay a volumetric water charge based on the rates established by City of San Antonio Ordinance from time-to-time for wholesale customers, including the applicable water supply fee and Edwards Aquifer Authority Permit Fee.

6.04 The “Base Use” wholesale water rate block as outlined in the City of San Antonio Ordinance as established from time-to-time will apply to all water taken by the WCID No. 3 during the calendar year up to the amount of the Annual Commitment as defined in Section
6.01 and adjusted by Section 6.02 ("Adjusted Annual Commitment"). If the cumulative amount of water taken by the WCID No. 3 exceeds the Adjusted Annual Commitment ("Excess Water") at any time during a calendar year, the volumetric water charge for the Excess Water will be determined using the "Over Base" wholesale water rate block as outlined in the City of San Antonio Ordinance.

6.05 Monthly charges will be based on water flowing through the meter(s) at the Point of Delivery during the month. At the end of each calendar year, the System will calculate total water used by WCID No. 3 during the calendar year and provide a copy to WCID No. 3. If the volume of water measured through the meter at the Point of Delivery during a calendar year is less than the Adjusted Annual Commitment as set forth in Attachment V, the System will invoice WCID No. 3 a true-up amount in January of the following calendar year to bring the total water billed to WCID No. 3 equal to the Adjusted Annual Commitment.

6.06 WCID No. 3 shall pay the impact fees based upon the size of the meter(s) installed at each retail customer connection within the WCID Tract. The impact fee rate shall be assessed and paid when WCID No. 3 picks up each retail meter, as described below, and based upon the impact fee rates adopted by the San Antonio City Council in the service area where the Initial Point of Delivery is located. WCID No. 3 agrees to enter into a cooperative purchasing agreement with SAWS so that it will purchase all of its meters from the same vendor as SAWS, which is procured through a public procurement or other legal process. WCID No. 3 shall enter into a contract with that vendor and ensure that the contract requires the delivery of its meters to one of SAWS facilities, as designated by SAWS. WCID No. 3 must pay the impact fees due for the meter(s) prior to SAWS releasing the meter(s) to WCID No. 3 to connect its retail customers. WCID No. 3 agrees to pick up meters by box and pay the impact fees due for each box (currently 10 per box for 5/8 inch meters and 6 per box for ¾ inch meters). SAWS agrees to exercise ordinary and reasonable care to store and track the WCID No. 3 meters separately from SAWS meters. SAWS shall not provide any warranty, express or implied, in relation to the meters purchased by WCID No. 3, and shall not be liable for any damages whatsoever related to the condition, function and operation of the meters once they have been released to WCID No. 3, including, but not limited to, any direct, indirect, incidental or consequential damages. The requirement to pay impact fees pursuant to this provision shall remain in effect so long as SAWS provides water service to the WCID Tract regardless of the location of the Point of Delivery. The WCID No. 3’s requirement to pay impact fees shall terminate if this Contract is terminated, at which time SAWS shall transfer to WCID No. 3 any unused meters that have been purchased by WCID No. 3 and delivered to SAWS. The acquisition and installation or use of any other meter(s) from any other third party source by WCID No. 3 or its agents or representatives, including, but not limited to, contractors, builders or lot owners shall constitute a material breach of this Contract and grounds for immediate termination of water services to the WCID Tract. WCID No. 3 shall maintain accurate customer connection records, including, the name and address of the customer, size and location of the meter, and date of connection and shall provide that information to SAWS within one (1) week of a written request.
7.00 Billing and Payment Procedures

7.01 Monthly meter and volume charges and any true-up charge billed in accordance with Section 6.00 herein shall be payable on or before thirty (30) calendar days from the date of the mailing of the bill. An example of a monthly bill is attached hereto and incorporated herein as Attachment VI.

7.02 In the event of a good faith dispute between the amount billed by the System and the amount actually owed, WCID No. 3 shall pay the undisputed amount on or before the due date, and the Parties shall meet to resolve the payment dispute as soon as reasonably practicable. In the event the dispute cannot be resolved within thirty (30) days following notice of good faith dispute from WCID No. 3, WCID No. 3 shall pay all disputed amounts under protest and subject to reconciliation upon final resolution.

7.03 A charge for late payment in the amount of five (5) percent of the net charges shall be added to the current charges owing if full payment for such charges is not made to the System on or before thirty (30) calendar days from the date of mailing or electronic submittal of the bill. The above notwithstanding, in the event any applicable statute, rule, or regulations pertaining to customers classified as state agencies and political subdivisions is in conflict with any provisions in this subsection, such statute, rule, or regulations shall prevail over any provision of this subsection in conflict therewith.

7.04 If payment of past due charges is not received by the System within thirty (30) calendar days after the due date the statement shall be deemed delinquent. The System shall notify WCID No. 3 in writing when any such payment shall become delinquent and if such delinquency is not removed within thirty (30) calendar days after the sending of such written notice, subject to the good faith dispute process described in Section 7.02 above, the System may, at its discretion, cease supplying water to WCID No. 3 under the terms of this Contract. After water has ceased to be supplied, the System may at its discretion, notify WCID No. 3 of its intention to declare this Contract forfeited and null and void. Upon such notice, WCID No. 3 shall have thirty (30) calendar days to pay all delinquent penalties and charges in order to reinstate water service prior to final action by the System declaring this Contract forfeited and null and void.

7.05 All payments due the System under this Contract will be mailed to the following address unless otherwise directed by the President/Chief Executive Officer or his designated Representative:

Revenue Accountant
Revenue Control
P.O. Box 2449
San Antonio, TX 78298-2449

Checks shall be made payable to the San Antonio Water System. Should WCID No. 3 choose to make an electronic transfer, the procedures for such transfers shall be established between
WCID No. 3 and System.

**8.00 Interruption and/or Suspension of Service**

**8.01** WCID No. 3 further agrees that nothing herein shall be construed to prohibit the System from interrupting and/or suspending service in the event of a maintenance operation or emergency repair affecting System’s ability to deliver water under this Contract for a reasonable period of time necessary to respond to such maintenance operation or emergency repairs; provided, however, System agrees to attempt to minimize interruptions and restore any service interruptions as soon as reasonably practicable, and coordinate, when possible, any planned maintenance operations with WCID No. 3. WCID No. 3 shall cooperate with the System during such periods of maintenance operation and emergency repair in a manner consistent with the preservation of and the protection of the public health, safety, and welfare. WCID No. 3 further acknowledges that the System shall not be liable in any way in the event of an interruption or suspension of service under this subsection.

**8.02** All water service provided under this Contract is subject to suspension at the discretion of the System, if the total water taken by WCID No. 3 through the Point of Delivery, as defined in Section 2.00, during any calendar year exceeds the Adjusted Annual Commitment. If the System elects to suspend water service, the suspension will be in effect until the beginning of the next calendar year. The System will provide written notice to WCID No. 3 of its intention to suspend service along with the effective date of the suspension.

**9.00 Shall Not Conflict with Indenture or Charter Provision**

The Parties acknowledge and agree that this Contract shall not conflict with the provisions of the System's Indenture set out in City Ordinance No. 75686.

**10.00 Term of Contract**

Subject to the conditions identified in paragraphs 4.00, 21.00 and 22.00 of this Contract, the term of this Contract shall begin upon the Effective Date. Unless sooner terminated pursuant to an express provision of this Contract, the term of this Contract shall expire on the GBRA Termination Date. Notwithstanding the foregoing, if the EAA Act Condition has been satisfied in the discretion of the System, then unless sooner terminated pursuant to an express provision of this Contract, (i) the term of this Contract shall expire on December 31, 2037, and (ii) the Parties shall have the right upon mutual agreement to extend the term for up to two (2) periods of ten (10) years each (each a “Renewal Option”). In order to exercise a Renewal Option, one Party (the “Requesting Party”) shall provide written notice to the other Party (the “Receiving Party”) of its request to extend the term (a “Renewal Request”). Any Renewal Request shall be made at least five (5) years prior to the expiration of the then existing term. The Receiving Party shall have a period of ninety (90) days (the “Response Period”) in which to accept or reject the Renewal Request, in its discretion, by written notice to the Requesting Party. If the Receiving Party rejects the Renewal Request from the Requesting Party by written notice within the Response Period,
then the term of this Contract shall expire at the end of the then existing term (unless sooner terminated pursuant to an express provision of this Contract). If the Receiving Party accepts the Renewal Request from the Requesting Party by written notice within the Response Period, then the term of this Contract shall continue for an additional period of ten (10) years from the end of the then existing term, unless sooner terminated pursuant to an express provision of this Contract. If the Receiving Party fails to respond to the Renewal Request by written notice to the Requesting Party within the Response Period, the Renewal Request shall be deemed rejected, and the term of this Contract shall expire at the end of the then existing term (unless sooner terminated pursuant to an express provision of this Contract).

11.00  Termination

In addition to other express rights of termination set forth in this Contract, either Party shall have the right to terminate this Contract in the event of a material breach of the provisions of this Contract by the other if the defaulting Party has not cured such material breach within ninety (90) days after the non-defaulting party has made written demand to cure the same. The Contract may be terminated at any time upon the mutual written consent of the Parties.

12.00  Assignment

No assignment of this Contract, in whole or in part for any purpose shall be made by WCID No. 3 without the prior written consent of the System in its discretion. Subject to this limitation this Contract shall bind and inure to the benefit of the successors and assigns of the Parties.

13.00  Notices

Written notices required by the terms of this Contract shall be in writing and deposited in the United States mail addressed to such party at the address set forth below:

If to the San Antonio Water System:
San Antonio Water System  
c/o Director of Water Resources  
P.O. Box 2449  
San Antonio, TX 78298-2449

    With a copy to:  
    San Antonio Water System  
    Attn:  Vice President and General Counsel  
    P.O. Box 2449  
    San Antonio, TX 7298-2449

If to WCID No. 3:
These addresses may be changed by either Party by notice in writing given to the other Party.

14.00 **Interpretation of Contract**

This Contract or any portion thereof shall not be interpreted by a court of law to the detriment of a party based solely upon that Party's authorship of the Contract or any portion thereof.

15.00 **Severability**

If for any reason, any one or more paragraphs of this Contract are held legally invalid, such judgment shall not prejudice, affect, impair or invalidate the remaining paragraphs of the Contract as a whole, but shall be confirmed to the specific paragraphs, clauses, or paragraphs of this Contract held legally invalid.

16.00 **Entire Contract**

This Contract constitutes the entire contractual relationship between the Parties hereto and supersedes all prior contracts, understandings and arrangements, oral or written, between the Parties hereto with respect to the subject matter hereof. The Utility Service Agreement authorized by the SAWS Board of Trustees on March 6, 2018, which was signed by both parties and effective on March 27, 2018, has been terminated by the parties thereto. A memorandum of this Contract must be recorded in Kendall and Bexar Counties, Texas on or before September 7, 2018. The Memorandum of Contract shall specifically set forth the term of this Contract and other relevant provisions.

17.00 **Governing Law and Venue**

This Contract shall be construed and enforced in accordance with and governed by the laws of the State of Texas. The venue for any dispute shall be in Bexar County, Texas, which is the place of the System providing services and negotiation of this Contract.

18.00 **Execution in Counterparts**

This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

19.00 **Amendments and Waivers**

This Contract may not be modified or amended except by an instrument or instruments in writing signed by the party against whom endorsement of any such modification or amendment is sought. The waiver by any Party hereto of a breach of any term or provision
of this Contract shall not be construed as a waiver of any subsequent breach.

20.00 Authority to Contract

20.01 System hereby affirms that it has the authority to enter into this Contract pursuant to a duly adopted resolution of its Board of Trustees and that its President and Chief Executive Officer has the authority to execute this Contract.

20.02 WCID No. 3 hereby affirms that it is duly formed and has the legal authority to enter into this Contract pursuant to a duly adopted resolution of its governing body and that its ________________ has the authority to execute this Contract.

21.00 Conditions Precedent

The following conditions set forth in Sections 21.01 through 21.05 below (collectively, the “Conditions Precedent”) must be satisfied in the System’s discretion as a condition precedent to performance by System of any duties or obligations of the System under this Contract, including providing any water supply or services under this Contract. If the Conditions Precedent are not satisfied within the specific timeframes set forth below, or such later date as may be approved in writing by the System in the System’s discretion, then this Contract shall automatically terminate, and neither Party shall have any further rights, duties or obligations, and the System shall not be obligated to provide wholesale, retail or other services to the WCID No. 3 or the WCID Tract. Upon request of either Party, the System and WCID No. 3 agree to execute an acknowledgement of the satisfaction of, or failure to satisfy, the Conditions Precedent, in such form as may be acceptable to WCID No. 3 and the System to be recorded in Bexar and Kendall Counties, Texas.

21.01 Pursuant to the GBRA Agreement, the System cannot currently provide the water supply to WCID No. 3 for the Bakke Development Tract, as all water delivered by GBRA to the System must be used exclusively within the System’s service area which is defined by a CCN or within the certificated service area of a wholesale customer of the System. Further, all water delivered by GBRA to the System under the GBRA Agreement is required to be used within Bexar County, unless and except to the extent that the System obtains GBRA’s prior written approval for the use outside Bexar County. Therefore, this Contract and the System’s obligations under this Contract are expressly conditioned upon the System acquiring an amendment to the GBRA Agreement and/or written approval of GBRA for the System to provide the water to the WCID Tract, which is outside the System’s CCN and Bexar County, which amendment and/or consent shall be in such form and content as is acceptable to the System in its discretion (the “GBRA Condition Precedent”). The System offers no opinion and makes no representation or warranty as to whether the GBRA Condition Precedent can be satisfied, and shall have no express or implied duty or obligation to do so. The GBRA Condition Precedent must be satisfied in the discretion of the System by February 7, 2019 (or such later date as may be approved by the System in its discretion).

21.02 WCID No. 3 shall provide the System with the original Declaration of Restrictive Covenants (as defined in Section 22.00 below) affecting the Bakke Development Tract, in
such form and content as is acceptable to the System in its discretion, which has been file stamped and recorded in the Real Property Records of Bexar and Kendall Counties, Texas, all as more particularly described in Section 22.06 below (the “DRC Condition Precedent”). The DRC Condition Precedent must be satisfied in the discretion of the System by February 7, 2019 (or such later date as may be approved by the System in its discretion).

21.03 On or before February 7, 2019 (or such later date as may be approved by the System in its discretion), WCID No. 3 must (i) be approved by the City of Boerne, or (ii) have submitted a petition to the Texas Commission on Environmental Quality for formation.

21.04 On or before January 1, 2020 (or such later date as may be approved by the System in its discretion), (i) WCID No. 3 must be fully created, approved, and legally authorized to execute this Contract and bind WCID No. 3 to the terms herein, and (ii) the permanent directors of WCID No. 3 must ratify this Contract in form and content acceptable to the System in its discretion.

21.05 On or before February 7, 2019 (or such later date as may be approved by the System in its discretion), WCID No. 3 shall adopt service regulations, including, without limitation, obligations for the owners of property in the WCID Tract to comply with the Development Regulations set forth in Sections 22.01 through 22.05 below (the “WCID Service Regulations”). The WCID Service Regulations shall be in such form and content acceptable to the System in its discretion, and shall include processes and procedures by which the System can verify and confirm compliance with said Development Regulations. During the term of this Contract, WCID No. 3 shall impose and enforce such WCID Service Regulations in a manner substantially similar to the enforcement of similar regulations by the System. In the event WCID No. 3 fails to impose and/or enforce the WCID Service Regulations as provided for in this Contract, such failure shall constitute a material breach of this Contract, and the System may terminate this Contract by providing WCID No. 3 with thirty (30) days written notice, and neither Party shall have any further rights, duties or obligations, and the System shall not be obligated to provide wholesale, retail or other services to the WCID No. 3 or the WCID Tract.

22.00 Development Conditions

The following Sections 22.01 through 22.05 (the “Development Conditions”) are development conditions upon which WCID No. 3 has agreed shall apply (i) initially to the Bakke Development Tract as a DRC Condition Precedent described in Section 21.02 above, and (ii) to any other portion of the WCID Tract, as a condition precedent for the System to provide water for resale by the WCID No. 3 to such property pursuant to Section 4.05 above.

22.01 Drainage Pollution Prevention and Control. All land shall be subject to Article VI Pollution Prevention and Control of the San Antonio City Code, found in Sections 34-912 to 34-959. In addition, WCID No. 3 agrees that all land 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 System’s Edwards Aquifer Protection water quality staff in accordance with the terms and provisions of the Declaration
of Restrictive Covenants.

22.02 Tree Preservation and Canopy Coverage. All construction and/or development on the land 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 Unified Development Code.

22.03 SAWS Construction Standards. All construction and/or development on the land (or to the Final Point of Delivery) shall comply with all System construction standards, including, but not limited to, the Utility Service Regulations and Construction Specifications. All construction shall be subject to inspection by System staff. Prior to issuing any acceptance certificates of its own, WCID No. 3 shall cause the owner of any property in the WCID Tract receiving retail water service from WCID No. 3 from the water supplied by the System under this Contract to submit construction plans for review by the System.

22.04 Dark Sky Requirements. All construction and/or development shall comply with the City of San Antonio’s Dark Sky Ordinance, found in Section 35-339.04, entitled Military Lighting Overlay Districts.

22.05 Drought Management Restrictions. All 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.

22.06 Declaration of Restrictive Covenants and Enforcement of Development Conditions. As a condition of providing retail water service to any part of the WCID Tract, WCID No. 3 shall, at its expense, cause the owners of said property (including any life tenant) to execute and record in the real property records of the County in which the property is located, a Declaration of Restrictive Covenants (“DRC”) 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 the System’s discretion. The DRC shall be in such form as is acceptable to the System, in the System’s discretion. The DRC shall run with the land. The DRC shall contain language expressly granting to the System, the City of San Antonio and/or their respective designee, the right, should the System or the City of San Antonio so elect, to enforce and or otherwise pursue to the extent provided at law or in equity, enforcement of the provisions of the DRC at the sole cost and expense of WCID No. 3. The System’s and/or the City’s (or designee’s) rights shall include the right to inspection, sampling and monitoring to assure any compliance. The DRC shall additionally provide that WCID No. 3 shall have the right to enforce the restrictions and covenants therein, and the failure by WCID No. 3 to enforce the restrictions and covenants contained in the DRC shall constitute a material breach, and may result in the termination of this Contract by written notice from the System in its discretion. For any violation of the DRC related to Section 22.05 above, the DRC shall include the right of the System 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 to secure payment of any fines or fees levied by the System.
In the event of such breach and termination, the System shall not be obligated to issue a new Wholesale Agreement to the WCID No. 3 or a Utility Service Agreement to any owner or developer or for the benefit of the WCID Tract. Recordation of the DRC (i) by WCID No. 3 shall be a Condition Precedent as set forth in Section 21.02 above for the Bakke Development Tract, and (ii) by the owner of any other property in the WCID Tract shall be a condition of service as set forth in Section 4.05 above for any other property in the WCID Tract.

23.00 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. System’s discretion means it is in the sole discretion of the President/CEO of SAWS, unless otherwise required by the SAWS’ Board.

24.00 Authority

By signing this Agreement the WCID No. 3 represents and warrants that (i) it is, or will be, authorized to provide retail water services to the WCID Tract (ii) the party signing below is authorized to sign and bind the WCID No. 3 to all of the terms, conditions, rights, duties and obligations under this Contract, and (iii) that the Bakke Development Tract is not within the jurisdiction of any Certificate of Convenience and Necessity (“CCN”) held by any person or entity, including, without limitation, the WCID No. 3, nor has an application for a CCN been made by the WCID No. 3 or any entity under common control or affiliated in any way with the WCID No 3. Any breach of the representations or warranty in this Section 25.00 shall make this Contract voidable by the System.

25.00 Effective Date

This Contract shall be effective upon the Effective Date set forth in the first paragraph of this Contract, subject to the terms and conditions set forth herein, including, 4.00, 10.00, 21.00 and 22.00 above.

SAN ANTONIO WATER SYSTEM  KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

By: __________________________  By: _____________________________
Name: Robert R. Puente        Name:
Title: President/CEO           Title:

ACKNOWLEDGEMENTS
STATE OF TEXAS §
COUNTY OF BEXAR §

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

Given under my hand and seal of office this _______ day of ______________, 20____.

__________________________________
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 acknowledged to me that the same was the act of said person ________________________ and that he has executed the same as ________________________ of the ______________________ for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this _________ day of ____________, 20 ___.

__________________________________
Notary Public
Attachment I

Bakke Development Tract
FIELDNOTE DESCRIPTION

BEING A 332.413 ACRE TRACT OF LAND SITUATED IN THE ANTONIO CRUZ SURVEY NO. 170, ABSTRACT NO. 97, KENDALL COUNTY, TEXAS, BEING DESCRIBED IN TWO (2) TRACTS AS FOLLOWS: TRACT A - BEING A 212.337 ACRE TRACT OUT OF THAT CERTAIN (TRACT 11) 203.026 ACRE TRACT, AND THAT CERTAIN (TRACT 13) 390.8354 ACRE TRACT, CONVEYED TO LTB INTERESTS, LTD., VOLUME 1145, PAGE 349, AND THAT CERTAIN (TRACT 9) 11.411 ACRE TRACT, CONVEYED TO LTB INTERESTS, LTD., VOLUME 1145, PAGE 357, ALL OF THE OFFICIAL PUBLIC RECORDS, KENDALL COUNTY, TEXAS, AND TRACT B - BEING A 120.076 ACRE TRACT OF LAND OUT OF THAT CERTAIN (TRACT 8) 76.957 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY ASSUMPTION WARRANTY DEED RECORDED IN VOLUME 1409, PAGE 661, THAT CERTAIN (TRACT 12) 40.0289 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY GENERAL WARRANTY DEED RECORDED IN VOLUME 1145, PAGE 349, AND THAT CERTAIN 2.1303 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY GENERAL WARRANTY DEED RECORDED IN VOLUME 1145, PAGE 349, ALL OF THE OFFICIAL PUBLIC RECORDS, KENDALL COUNTY, TEXAS, SAID 332.413 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT A - 212.337 ACRES

BEGINNING, AT A FOUND ¼ INCH IRON ROD FOR THE NORTHWESTERLY CORNER OF SAID 203.026 ACRE TRACT SITUATED ON THE EASTERNLY LINE OF SAID 390.8354 ACRE TRACT, FOR THE SOUTHWESTERNLY CORNER OF LOT 7, BLUEGRASS SUBDIVISION RECORDED IN VOLUME 1 PAGE 259, PLAT RECORDS, KENDALL COUNTY, TEXAS;


THENCE, ALONG THE SOUTHWESTERLY LINE OF SPRING HILL DRIVE AND THE NORTHEASTERLY LINE OF SAID 11.411 ACRE TRACT, THE FOLLOWING COURSES;

S 85° 54′ 52″ E, A DISTANCE OF 90.13 FEET TO A SET ¼ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR A CORNER;

S 81° 18′ 20″ E, A DISTANCE OF 159.61 FEET TO A FOUND ¼ IRON ROD WITH PLASTIC CAP STAMPED "PFIEFFER SURVEY" FOR A CORNER;

S 35° 30′ 11″ E, A DISTANCE OF 96.80 FEET TO A FOUND ¼ IRON ROD WITH PLASTIC CAP STAMPED "PFIEFFER SURVEY" FOR A CORNER;

S 63° 01′ 09″ E, A DISTANCE OF 209.90 FEET TO A FOUND ¼ IRON ROD WITH PLASTIC CAP STAMPED "PFIEFFER SURVEY" FOR A CORNER;

S 52° 37′ 18″ E, A DISTANCE OF 160.01 FEET TO A SET ¼ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR A CORNER;

S 26° 32′ 38″ E, A DISTANCE OF 525.06 FEET TO A FOUND ¼ IRON ROD AT THE INTERSECTION OF THE SOUTHWESTERLY RIGHT OF WAY LINE OF SPRING HILL DRIVE AND THE NORTHERLY RIGHT OF WAY LINE OF VALERIE LANE FOR A NORTHEASTERLY CORNER OF THIS TRACT;


N 89° 20′ 05″ W, A DISTANCE OF 241.15 FEET TO A ¼ INCH IRON ROD FOUND FOR A CORNER OF THIS TRACT;

S 01° 04′ 09″ E, A DISTANCE OF 224.75 FEET TO A FOUND PK NAIL FOR THE NORTHEASTERLY CORNER OF THAT CERTAIN 2.00 ACRE TRACT DESCRIBED AS A SAVE AND EXCEPT TRACT IN VOLUME 1145, PAGE 349 OFFICIAL PUBLIC RECORDS, KENDALL COUNTY, TEXAS;

THENCE, S 89° 29′ 44″ W, ALONG THE NORTHERLY LINE OF SAID 2.00 ACRE TRACT, A DISTANCE OF 367.05 FEET TO A FOUND ¼ INCH IRON ROD FOR THE NORTHWESTERLY CORNER OF SAID 2.00 ACRE TRACT AND AN INTERIOR ELL CORNER OF THIS TRACT;

THENCE, S 00° 13′ 21″ E, ALONG THE WESTERLY LINE OF SAID 2.00 ACRE TRACT, A DISTANCE OF 236.47 FEET TO A FOUND 8 INCH WOOD POST FOR THE SOUTHWESTERLY CORNER OF SAID 2.00 ACRE TRACT AND AN INTERIOR ELL CORNER OF THIS TRACT;

THENCE, N 89° 47′ 41″ E, ALONG THE SOUTHERLY LINE OF SAID 2.00 ACRE TRACT, A DISTANCE OF 365.48 FEET TO A FOUND 6 INCH CEDAR POST SITUATED
ON THE WESTERLY LINE OF VALERIE LANE FOR THE SOUTHEASTERLY CORNER OF SAID 2.00 ACRE TRACT AND A CORNER OF THIS TRACT;

THENCE, S 00° 10' 18" W, ALONG THE COMMON WESTERLY LINE OF SAID VALERIE LANE AND THE EASTERLY LINE OF SAID 203.026 ACRE TRACT, 2520.79 FEET TO A SET ¼ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" AT THE INTERSECTION OF THE WESTERLY LINE OF VALERIE LANE AND THE NORTHERLY LINE OF COREY ROAD FOR THE SOUTHEASTERLY CORNER OF THIS TRACT;


S 89° 23' 37" W, A DISTANCE OF 2220.90 FEET TO A SET ¼ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 81° 11' 50" W, A DISTANCE OF 288.39 FEET TO A SET ¼ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" IN THE SOUTHERLY LINE OF A SAID 390.8354, FOR THE SOUTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, ACROSS SAID 390.8354 & 203.026 ACRE TRACT, THE FOLLOWING COURSES:

N 04° 20' 54" W, A DISTANCE OF 412.25 FEET TO A FOUND 3" STEEL POST;

N 21° 31' 01" W, A DISTANCE OF 1431.33 FEET TO A SET ¼ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 01° 17' 23" W, A DISTANCE OF 1372.81 FEET TO THE POINT OF BEGINNING, CONTAINING AN AREA OF 212.337 ACRES OF LAND, MORE OR LESS.

TRACT B - 120.076 ACRES

BEGINNING, AT A FOUND ¼ INCH IRON ROD AT THE SOUTHWESTERLY CORNER OF THE TERMINUS OF CORLEY ROAD, MARKING THE NORTHWESTERLY CORNER OF SAID 76.957 ACRE TRACT, BEING THE EASTERLY LINE OF SAID 390.8354 ACRE TRACT AND THE NORTHWESTERLY CORNER HEREOF;

THENCE, S 81° 24' 55" E, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, BEING THE NORTHERLY LINE OF SAID 76.957 ACRE TRACT, A DISTANCE OF 1169.43 FEET TO A FOUND 6 INCH WOOD POST MARKING THE NORTHEASTERLY CORNER OF SAID 76.957 ACRE TRACT, BEING THE NORTHWESTERLY CORNER OF THAT CERTAIN 5.794 ACRE TRACT CONVEYED TO CAROLYN G. BIEDEHNARN BY DEED OF RECORD IN VOLUME 1455, PAGE 283 OF SAID OFFICIAL PUBLIC RECORDS;
THENCE, LEAVING THE SOUTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, ALONG THE COMMON BOUNDARY LINE OF SAID 76.957 ACRE TRACT AND SAID 5.794 ACRE TRACT, THE FOLLOWING COURSES:

S 00° 14' 59" E, A DISTANCE OF 352.90 FEET TO A FOUND 6 INCH WOOD POST;
S 66° 35' 17" W, A DISTANCE OF 55.14 FEET TO A FOUND ¼ INCH IRON ROD;
S 25° 31' 49" W, A DISTANCE OF 63.64 FEET TO A FOUND 6 INCH WOOD POST;
S 00° 16' 44" E, A DISTANCE OF 181.07 FEET TO A FOUND ¼ INCH IRON ROD MARKING THE SOUTHWESTERLY CORNER OF SAID 5.794 ACRE TRACT;

N 88° 44' 30" E, A DISTANCE OF 616.61 FEET TO A FOUND ¼ INCH IRON ROD IN THE WESTERLY LINE OF AN EXISTING 1.418 ACRE ACCESS EASEMENT OF RECORD IN VOLUME 8375, PAGE 676 OF SAID OFFICIAL PUBLIC RECORDS, BEING AN EASTERLY CORNER OF SAID 76.957 ACRE TRACT;

THENCE, S 08° 49' 02" W, ALONG THE COMMON BOUNDARY LINE OF SAID 76.957 ACRE TRACT AND SAID 1.418 ACRE ACCESS EASEMENT, A DISTANCE OF 1740.36 FEET TO A FOUND ¼ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 76.957 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 40.0289 ACRE TRACT;

THENCE, ALONG THE COMMON BOUNDARY LINE OF SAID 40.0289 ACRE TRACT AND SAID 1.418 ACRE ACCESS EASEMENT, THE FOLLOWING COURSES:

S 08° 45' 27" W, A DISTANCE OF 1711.94 FEET TO A FOUND 2 INCH METAL POST;
S 28° 28' 37" W, A DISTANCE OF 48.72 FEET TO A 6 INCH WOOD POST MARKING THE SOUTHEASTERLY CORNER OF SAID 40.0289 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 2.1303 ACRE TRACT;

THENCE, S 27° 25' 24" W, ALONG THE SOUTHEASTERLY LINE OF SAID 2.1303 ACRE TRACT, A DISTANCE OF 133.99 FEET TO A FOUND "X" ON CONCRETE DAM MARKING THE SOUTHERLY CORNER OF SAID 2.1303 ACRE TRACT, BEING IN THE NORTHERLY LINE OF THAT CERTAIN REMAINDER OF 236.272 ACRE TRACT CONVEYED TO BALCONES CREEK, LTD. BY DEED OF RECORD IN VOLUME 1194, PAGE 227 OF SAID OFFICIAL PUBLIC RECORDS;

THENCE, ALONG THE COMMON BOUNDARY LINE OF SAID 2.1303 ACRE TRACT AND SAID REMAINDER OF 236.272 ACRE TRACT, BEING THE APPROXIMATE CENTERLINE OF BALCONES CREEK, THE FOLLOWING COURSES:

N 52° 10' 12" W, A DISTANCE OF 235.12 FEET TO A POINT;
N 42° 58' 10" W, A DISTANCE OF 452.26 FEET TO A POINT MARKING THE NORTHEASTERLY CORNER OF THAT CERTAIN 97.23 ACRE TRACT OF RECORD IN
VOLUME 13781, PAGE 1071 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS;

N 37° 08' 21" W, A DISTANCE OF 262.16 FEET TO A POINT;

N 41° 15' 27" W, A DISTANCE OF 350.62 FEET TO A POINT;

N 50° 49' 44" W, A DISTANCE OF 245.38 FEET TO THE SOUTHWESTERLY CORNER HEREOF;

THENCE, N 00° 11' 47" W, LEAVING THE APPROXIMATE CENTERLINE OF BALCONES CREEK, ALONG THE COMMON BOUNDARY LINE OF SAID 40.0289 ACRE TRACT AND SAID 76.957 ACRE TRACT WITH SAID 390.8354 ACRE TRACT, A DISTANCE OF 3245.19 FEET TO THE POINT OF BEGINNING, CONTAINING AN AREA OF 120.076 ACRES OF LAND, MORE OR LESS.

I, RICHARD A. GOODWIN, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PROPERTY DESCRIBED HEREIN WAS DETERMINED FROM A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION.

A SURVEY EXHIBIT WAS PREPARED ON THIS SAME DATE. BASIS OF BEARING IS NAD 83 TEXAS STATE PLANE COORDINATES, SOUTH CENTRAL ZONE.

SHERWOOD SURVEYING & SUE, LLC
P.O. BOX 992
SPRING BRANCH, TEXAS 78070

RICHARD A. GOODWIN
R.P.L.S. #4069 STATE OF TEXAS
TBPLS FIRM #10044200
EXHIBIT "A"

PROPERTY DESCRIPTION

BEING A 42.451 ACRE TRACT OUT OF THE ANTONIO CRUZ SURVEY NO. 170, ABSTRACT NO. 97, KENDALL COUNTY, TEXAS, BEING THAT 42.451 ACRE TRACT CONVEYED TO DIMITRI NICHOLAS HADJIOPULOS CUINOREAU BY DEED OF RECORD IN VOLUME 131, PAGE 299 OF THE OFFICIAL PUBLIC RECORDS OF KENDALL COUNTY, TEXAS, SAID 42.451 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, AT A FOUND 1/2 INCH IRON ROD IN THE EASTERNLY RIGHT-OF-WAY LINE OF VALERIE LANE, BEING THE SOUTHWESTERLY CORNER OF THAT CERTAIN 10 ACRE TRACT CONVEYED TO GARTH GOMBERT AND TERRY GOMBERT AS DESCRIBED IN VOLUME 69, PAGE 431 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS, FOR THE NORTHEASTERLY CORNER OF SAID 42.451 ACRE TRACT AND POINT OF BEGINNING HEREOF;

THENCE, S 88° 51' 24" E, 1 FACING THE EASTERNLY RIGHT-OF-WAY LINE OF VALERIE LANE, ALONG THE COMMON BOUNDARY LINE OF SAID 10 ACRE TRACT AND SAID 42.451 ACRE TRACT, A DISTANCE OF 1204.02 FEET TO A FOUND 1/2 INCH IRON ROD WITH POLLOCK CAP IN THE WESTERNLY RIGHT-OF-WAY LINE OF SCENIC LOOP ROAD, BEING THE SOUTHEASTERLY CORNER OF SAID 42.451 ACRE TRACT AND HEREOF;

THENCE, ALONG THE WESTERNLY RIGHT-OF-WAY LINE OF SCENIC LOOP ROAD, BEING THE EASTERNLY LINE OF SAID 42.451 ACRE TRACT AND HEREOF, THE FOLLOWING COURSES:

S 01° 22' 14" W, A DISTANCE OF 731.27 FEET TO A FOUND 1/2 INCH IRON ROD;

S 00° 41' 52" N, A DISTANCE OF 891.44 FEET TO A FOUND IRON NAIL AT THE INTERSECTION OF THE WESTERNLY RIGHT-OF-WAY LINE OF SCENIC LOOP ROAD AND THE NORTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, BEING THE SOUTHEASTERLY CORNER OF SAID 42.451 ACRE TRACT AND HEREOF;

THENCE, N 82° 36' 27" N, ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, A DISTANCE OF 99.95 FEET TO A FOUND 1/2 INCH IRON ROD WITH CEQ CAP MARKING THE SOUTHEASTERLY CORNER OF THAT CERTAIN 0.136 ACRE TRACT CONVEYED TO CPS ENERGY BY DEED OF RECORD IN VOLUME 1202, PAGE 99, OF SAID OFFICIAL PUBLIC RECORDS;

THENCE, LEAVING THE NORTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD ALONG THE COMMON BOUNDARY LINE OF SAID 42.451 ACRE TRACT AND SAID 0.136 ACRE TRACT, THE FOLLOWING COURSES:

N 07° 18' 02" E, A DISTANCE OF 103.26 FEET TO A FOUND 1/2 INCH IRON ROD;

S 65° 49' 05" W, A DISTANCE OF 197.24 FEET TO A FOUND 1/2 INCH IRON ROD IN THE NORTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, BEING THE SOUTHWESTERLY CORNER OF SAID 0.136 ACRE TRACT;

THENCE, N 82° 36' 45" W, ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, A DISTANCE OF 925.21 FEET TO A FOUND 1/2 INCH IRON ROD AT THE INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD AND THE EASTERNLY RIGHT-OF-WAY LINE OF VALERIE LANE, BEING THE SOUTHWESTERLY CORNER OF SAID 42.451 ACRE TRACT AND HEREOF;

THENCE, N 00° 29' 44" W, ALONG THE EASTERNLY RIGHT-OF-WAY LINE OF VALERIE LANE, A DISTANCE OF 1092.91 FEET TO THE POINT OF BEGINNING, CONTAINING AN AREA OF 42.451 ACRES OF LAND, MORE OR LESS.
Attachment II
WCID Tract
(1,012.262 acres)
1012.262 ACRE TRACT

FIELDNOTE DESCRIPTION

OF A 1012.262 ACRE TRACT OF LAND SITUATED IN THE ANTONIO CRUZ SURVEY
NO. 170, ABSTRACT NO. 97, KENDALL COUNTY, TEXAS, BEING COMPRISED OF THE
FOLLOWING TRACTS: (TRACT 1) 16.042 ACRES CONVEYED TO LTB INTERESTS,
LTD. BY GENERAL WARRANTY DEED RECORDED IN VOLUME 1145, PAGE 352,
AS CORRECTED IN VOLUME 1153, PAGE 52, (TRACT 2) 15.906 ACRE TRACT
BEING CONVEYED TO LTB INTERESTS, LTD. BY DEED RECORDED IN VOLUME
1145, PAGE 368, (TRACT 3) 2.00 ACRE TRACT BEING CONVEYED TO LTB
INTERESTS, LTD. BY DEED RECORDED IN VOLUME 1145, PAGE 357, (TRACT
4) 8.00 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY DEED
RECORDED IN VOLUME 1145, PAGE 357, (TRACT 5) 3.944 ACRE TRACT BEING
CONVEYED TO LTB INTERESTS, LTD. BY DEED RECORDED IN VOLUME 1145,
PAGE 357, (TRACT 6) 31.823 ACRE TRACT BEING CONVEYED TO LTB
INTERESTS, LTD. BY DEED RECORDED IN VOLUME 889, PAGE 795, (TRACT 7)
27.94 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY DEED
RECORDED IN VOLUME 846, PAGE 709, (TRACT 8) 76.957 ACRE TRACT BEING
CONVEYED TO LTB INTERESTS, LTD. BY ASSUMPTION WARRANTY DEED
RECORDED IN VOLUME 1409, PAGE 661, (TRACT 9) 11.411 ACRE TRACT
BEING CONVEYED TO LTB INTERESTS, LTD. BY DEED RECORDED IN VOLUME
1145, PAGE 357, (TRACT 10) 97.23 ACRE TRACT BEING CONVEYED TO LTB
INTERESTS, LTD. BY DEED RECORDED IN VOLUME 13781, PAGE 1071, OFFICIAL
PUBLIC RECORDS, BEXAR COUNTY, TEXAS, (TRACT 11) 203.026 ACRE TRACT
BEING CONVEYED TO LTB INTERESTS, LTD. BY GENERAL WARRANTY DEED
RECORDED IN VOLUME 1145, PAGE 349, (TRACT 12) 40.0289 ACRE TRACT
BEING CONVEYED TO LTB INTERESTS, LTD. BY GENERAL WARRANTY DEED
RECORDED IN VOLUME 1145, PAGE 349, (TRACT 13) 390.8354 ACRE TRACT
BEING CONVEYED TO LTB INTERESTS, LTD. BY GENERAL WARRANTY DEED
RECORDED IN VOLUME 1145, PAGE 349, (TRACT 14) 1.0097 ACRE TRACT AND
A 2.1303 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY
GENERAL WARRANTY DEED RECORDED IN VOLUME 1145, PAGE 349, (TRACT
15) 67.886 ACRE TRACT BEING CONVEYED TO LTB INTERESTS, LTD. BY
GENERAL WARRANTY DEED RECORDED IN VOLUME 1145, PAGE 349, ALL OF THE
OFFICIAL PUBLIC RECORDS, KENDALL COUNTY, TEXAS, EXCEPT (TRACT 10),
SAID 1012.262 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, AT A FOUND ½ INCH IRON ROD FOR THE NORTHWESTERN CORNER OF
SAID 203.026 ACRE TRACT SITUATED ON THE EASTERNLY LINE OF SAID 390.8354
ACRE TRACT, FOR THE SOUTHWESTERLY CORNER OF LOT 7, BLUEGRASS SUBDIVISION
RECORDED IN VOLUME 1 PAGE 259, PLAT RECORDS, KENDALL COUNTY, TEXAS;
THENCE, N 88° 43' 53" E, ALONG THE COMMON NORTHERLY LINE OF SAID 203.026
ACRE TRACT, THE SOUTHERLY LINE OF SAID BLUEGRASS SUBDIVISION AND THE
SOUTHERLY LINE OF THAT CERTAIN 11.939 ACRE TRACT CONVEYED TO JOSEPH F.
ALDERETE AND SUNNIE G. ALDERETE, VOLUME 13181 PAGE 686, OFFICIAL PUBLIC
RECORDS, KENDALL COUNTY, TEXAS, A DISTANCE OF 2403.97 FEET TO A ½ INCH
IRON ROD FOUND FOR THE SOUTHEASTERLY CORNER OF SAID 11.939 ACRE TRACT
AND THE SOUTHWESTERLY CORNER OF SAID 11.411 ACRE TRACT FOR AN INTERIOR
ELL CORNER OF THIS TRACT;

THENCE, N 01° 58' 14" E, ALONG THE COMMON EASTERLY LINE OF SAID 11.939
ACRE TRACT AND THE WESTERLY LINE OF SAID 11.411 ACRE TRACT, A DISTANCE
OF 563.88 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED
"SHERWOOD SURVEYING" SITUATED ON THE SOUTHWESTERLY LINE OF SPRING HILL
DRIVE FOR THE NORTHWESTERLY CORNER OF SAID 11.411 ACRE TRACT AND A
NORTHERLY CORNER OF THIS TRACT;

THENCE, ALONG THE SOUTHWESTERLY LINE OF SPRING HILL DRIVE AND THE
NORTHEASTERLY LINE OF SAID 11.411 ACRE TRACT, THE FOLLOWING COURSES;

S 85° 54' 52" E, A DISTANCE OF 90.13 FEET TO A SET ½ INCH IRON ROD WITH
YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR A CORNER;

S 01° 18' 20" E, A DISTANCE OF 159.61 FEET TO A FOUND ½ INCH IRON ROD
WITH PLASTIC CAP STAMPED "PFIEFFER SURVEY" FOR A CORNER;

S 35° 30' 11" E, A DISTANCE OF 96.80 FEET TO A FOUND ½ INCH IRON ROD
WITH PLASTIC CAP STAMPED "PFIEFFER SURVEY" FOR A CORNER;

S 63° 01' 09" E, A DISTANCE OF 209.90 FEET TO A FOUND ½ INCH IRON ROD
WITH PLASTIC CAP STAMPED "PFIEFFER SURVEY" FOR A CORNER;

S 52° 37' 18" E, A DISTANCE OF 160.01 FEET TO A SET ½ INCH IRON ROD
WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR A CORNER;

S 26° 32' 38" E, A DISTANCE OF 525.06 FEET TO A FOUND ½ INCH IRON ROD
AT THE INTERSECTION OF THE SOUTHWESTERLY RIGHT OF WAY LINE OF SPRING
HILL DRIVE AND THE NORTHERLY RIGHT OF WAY LINE OF VALERIE LANE FOR A
NORTHEASTERLY CORNER OF THIS TRACT;

THENCE, ALONG THE COMMON NORTHERLY AND EASTERLY LINE OF VALERIE LANE
AND THE SOUTHEASTERLY LINE OF SAID 11.411 ACRE TRACT, THE FOLLOWING
COURSES:

N 89° 20' 05" W, A DISTANCE OF 241.15 FEET TO A ½ INCH IRON ROD FOUND
FOR A CORNER OF THIS TRACT;
S 01° 04' 09" E, A DISTANCE OF 224.75 FEET TO A FOUND PK NAIL FOR THE
NORTHEASTERLY CORNER OF THAT CERTAIN 2.00 ACRE TRACT DESCRIBED AS A
SAVE AND EXCEPTION TRACT IN VOLUME 1145, PAGE 349 OFFICIAL PUBLIC RECORDS, KENDALL COUNTY, TEXAS;

THENCE, S 89° 29' 44" W, ALONG THE NORTHERLY LINE OF SAID 2.00 ACRE TRACT, A DISTANCE OF 367.05 FEET TO A FOUND ½ INCH IRON ROD FOR THE NORTHWESTERLY CORNER OF SAID 2.00 ACRE TRACT AND AN INTERIOR ELL CORNER OF THIS TRACT;

THENCE, S 00° 13' 21" E, ALONG THE WESTERLY LINE OF SAID 2.00 ACRE TRACT, A DISTANCE OF 236.47 FEET TO A FOUND 8 INCH WOOD POST FOR THE SOUTHWESTERLY CORNER OF SAID 2.00 ACRE TRACT AND AN INTERIOR ELL CORNER OF THIS TRACT;

THENCE, N 89° 47' 41" E, ALONG THE SOUTHERLY LINE OF SAID 2.00 ACRE TRACT, A DISTANCE OF 365.48 FEET TO A FOUND 6 INCH CEDAR POST SITUATED ON THE WESTERLY LINE OF VALERIE LANE FOR THE SOUTHEASTERLY CORNER OF SAID 2.00 ACRE TRACT AND A CORNER OF THIS TRACT;

THENCE, S 00° 10' 18" W, ALONG THE COMMON WESTERLY LINE OF SAID VALERIE LANE AND THE EASTERN LINE OF SAID 203.026 ACRE TRACT, A DISTANCE OF 2520.79 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" AT THE INTERSECTION OF THE WESTERLY LINE OF VALERIE LANE AND THE NORTHERLY LINE OF COREY ROAD FOR THE SOUTHEASTERLY CORNER OF THIS TRACT;


S 89° 23' 37" W, A DISTANCE OF 2220.90 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR A CORNER;

N 81° 11' 50" W, A DISTANCE OF 1868.37 FEET TO A FOUND 6 INCH WOOD POST AT THE NORTHWESTERLY CORNER OF THE TERMINUS OF CORLEY ROAD;

THENCE, S 01° 30' 22" E, ALONG THE WESTERLY TERMINUS OF CORLEY ROAD, A DISTANCE OF 28.23 FEET TO A FOUND ¾ INCH IRON ROD MARKING THE NORTHWESTERLY CORNER OF SAID 76.957 ACRE TRACT, BEING THE EASTERN LINE OF SAID 390.8354 ACRE TRACT;

THENCE, S 81° 24' 55" E, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, BEING THE NORTHERLY LINE OF SAID 76.957 ACRE TRACT, A DISTANCE OF 1169.43 FEET TO A FOUND 6 INCH WOOD POST MARKING THE NORTHEASTERLY CORNER OF SAID 76.957 ACRE TRACT, BEING THE NORTHWESTERLY CORNER OF THAT CERTAIN 5.794 ACRE TRACT CONVEYED TO CAROLYN G. BIEDENHARN BY DEED OF RECORD IN VOLUME 1455, PAGE 283 OF SAID OFFICIAL PUBLIC RECORDS;
THENCE, LEAVING THE SOUTHERLY RIGHT-OF-WAY LINE OF CORLEY ROAD, ALONG THE COMMON BOUNDARY LINE OF SAID 76.957 ACRE TRACT AND SAID 5.794 ACRE TRACT, THE FOLLOWING COURSES:

S 00° 14' 59" E, A DISTANCE OF 352.90 FEET TO A FOUND 6 INCH WOOD POST;

S 66° 35' 17" W, A DISTANCE OF 55.14 FEET TO A FOUND ½ INCH IRON ROD;

S 25° 31' 49" W, A DISTANCE OF 63.64 FEET TO A FOUND 6 INCH WOOD POST;

S 00° 16' 44" E, A DISTANCE OF 181.07 FEET TO A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 5.794 ACRE TRACT;

N 88° 44' 30" E, A DISTANCE OF 616.61 FEET TO A FOUND ½ INCH IRON ROD IN THE WESTERLY LINE OF AN EXISTING 1.418 ACRE ACCESS EASEMENT OF RECORD IN VOLUME 8375, PAGE 676 OF SAID OFFICIAL PUBLIC RECORDS, BEING AN EASTERLY CORNER OF SAID 76.957 ACRE TRACT;

THENCE, S 08° 49' 02" W, ALONG THE COMMON BOUNDARY LINE OF SAID 76.957 ACRE TRACT AND SAID 1.418 ACRE ACCESS EASEMENT, A DISTANCE OF 1740.36 FEET TO A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 76.957 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 40.0289 ACRE TRACT;

THENCE, ALONG THE COMMON BOUNDARY LINE OF SAID 40.0289 ACRE TRACT AND SAID 1.418 ACRE ACCESS EASEMENT, THE FOLLOWING COURSES:

S 08° 45' 27" W, A DISTANCE OF 1711.94 FEET TO A FOUND 2 INCH METAL POST;

S 28° 28' 37" W, A DISTANCE OF 48.72 FEET TO A 6 INCH WOOD POST MARKING THE SOUTHEASTERLY CORNER OF SAID 40.0289 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 2.1303 ACRE TRACT;

THENCE, S 27° 25' 24" W, ALONG THE SOUTHEASTERLY LINE OF SAID 2.1303 ACRE TRACT, A DISTANCE OF 133.99 FEET TO A FOUND "X" ON CONCRETE DAM MARKING THE SOUTHERLY CORNER OF SAID 2.1303 ACRE TRACT, BEING IN THE NORTHERLY LINE OF THAT CERTAIN REMAINDER OF 236.272 ACRE TRACT CONVEYED TO BALCONES CREEK, LTD. BY DEED OF RECORD IN VOLUME 1194, PAGE 227 OF SAID OFFICIAL PUBLIC RECORDS;

THENCE, ALONG THE COMMON BOUNDARY LINE OF SAID 2.1303 ACRE TRACT AND SAID REMAINDER OF 236.272 ACRE TRACT, BEING THE APPROXIMATE CENTERLINE OF BALCONES CREEK, THE FOLLOWING COURSES:

N 52° 10' 12" W, A DISTANCE OF 235.12 FEET TO A POINT;

N 42° 58' 10" W, A DISTANCE OF 452.26 FEET TO A POINT MARKING THE NORTHEASTERLY CORNER OF SAID 97.23 ACRE TRACT;
THENCE, ALONG THE COMMON BOUNDARY LINES OF SAID 97.23 ACRE TRACT AND SAID REMAINDER OF 236.272 ACRE TRACT, THE FOLLOWING COURSES:

S 43° 26' 22" W, A DISTANCE OF 45.12 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 26° 12' 45" W, A DISTANCE OF 160.75 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 19° 12' 45" W, A DISTANCE OF 202.73 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 86° 10' 45" W, A DISTANCE OF 14.30 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 08° 50' 15" E, A DISTANCE OF 27.58 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 22° 15' 30" W, A DISTANCE OF 1741.52 FEET TO FOUND ½ INCH IRON ROD WITH SCHWARTZ 4760 RED CAP MARKING THE SOUTHEASTERLY CORNER OF SAID 97.23 ACRE TRACT;

S 89° 59' 22" W, A DISTANCE OF 1293.60 FEET TO A FOUND ½ INCH IRON ROD WITH SCHWARTZ 4760 RED CAP MARKING THE SOUTHWESTERLY CORNER OF SAID 97.23 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID REMAINDER OF 236.272 ACRE TRACT, SAME BEING IN THE EASTERN LINE OF THAT CERTAIN 186.360 ACRE TRACT CONVEYED TO ROBERT B. CALDER BY DEED OF RECORD IN VOLUME 4632, PAGE 1394 OF SAID OFFICIAL PUBLIC RECORDS FOR THE SOUTHERNmost SOUTHWESTERLY CORNER HEREOF;

THENCE, ALONG THE COMMON BOUNDARY LINES OF SAID 97.23 ACRE TRACT AND SAID 186.360 ACRE TRACT, THE FOLLOWING COURSES:

N 00° 18' 50" W, A DISTANCE OF 594.05 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 00° 08' 26" W, A DISTANCE OF 492.67 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 00° 05' 03" E, A DISTANCE OF 412.91 FEET A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 00° 15' 34" E, A DISTANCE OF 569.88 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 00° 26' 43" E, A DISTANCE OF 121.10 FEET TO A POINT IN THE APPROXIMATE CENTERLINE OF BALCONES CREEK MARKING THE NORTHEASTERLY CORNER OF SAID 97.23 ACRE TRACT AND BEING THE NORTHEASTERLY CORNER OF SAID 186.360 ACRE TRACT, BEING A POINT IN THE SOUTHERLY LINE OF THAT CERTAIN 36.430
ACRE TRACT CONVEYED TO STANLEY OWENS AND KATIE A. OWENS BY DEED OF
RECORD IN VOLUME 1428, PAGE 515 OF SAID OFFICIAL PUBLIC RECORDS;

THENCE, S 70° 14' 35" E, ALONG THE COMMON BOUNDARY LINE OF SAID 36.430
ACRE TRACT AND SAID 97.23 ACRE TRACT, A DISTANCE OF 2.12 FEET TO A POINT
MARKING THE SOUTHWESTERN CORNER OF SAID 1.0097 ACRE TRACT AND THE
SOUTHEASTERLY CORNER OF SAID 36.430 ACRE TRACT;

THENCE, N 00° 12' 33" W, ALONG THE EASTERN LINE OF SAID 36.430 ACRE
TRACT, BEING THE WESTERN LINES OF SAID 1.0097 ACRE TRACT AND SAID
390.8354 ACRE TRACT, A DISTANCE OF 1317.77 FEET TO A FOUND \(\frac{1}{2}\) INCH IRON
ROD;

THENCE, N 00° 00' 45" W, ALONG THE EASTERN LINE OF SAID 36.430 ACRE
TRACT AND THE EASTERN LINE OF THAT CERTAIN 95.268 ACRE TRACT CONVEYED
TO SUELLENFUSSE RANCH LP BY DEED OF RECORD IN VOLUME 1135, PAGE 820 OF
SAID OFFICIAL PUBLIC RECORDS, BEING THE WESTERN LINE OF SAID 390.8354
ACRE TRACT, A DISTANCE OF 1460.15 FEET TO A FOUND 8 INCH WOOD POST
MARKING THE NORTHEASTERLY CORNER OF SAID 95.268 ACRE TRACT, BEING THE
SOUTHEASTERLY CORNER OF SAID 62.886 ACRE TRACT;

THENCE, ALONG THE COMMON BOUNDARY LINE OF SAID 95.268 ACRE TRACT AND
SAID 62.886 ACRE TRACT, THE FOLLOWING COURSES:

S 80° 52' 53" W, A DISTANCE OF 858.86 FEET TO A FOUND 8 INCH WOOD POST;

N 85° 33' 03" W, A DISTANCE OF 980.80 FEET TO A FOUND 8 INCH WOOD POST;

S 78° 21' 51" W, A DISTANCE OF 1594.30 FEET TO A FOUND \(\frac{1}{2}\) INCH IRON ROD
IN THE EASTERN RIGHT-OF-WAY LINE OF UPPER BALCONES ROAD FOR THE
WESTERNMOST SOUTHWESTERLY CORNER HEREOF;

THENCE, ALONG THE EASTERN RIGHT-OF-WAY LINE OF UPPER BALCONES ROAD,
THE FOLLOWING COURSES:

N 21° 24' 28" W, A DISTANCE OF 702.03 FEET TO A SET \(\frac{1}{2}\) INCH IRON ROD
WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 10° 04' 11" W, A DISTANCE OF 69.72 FEET TO A SET \(\frac{1}{2}\) INCH IRON ROD WITH
YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 08° 00' 25" W, A DISTANCE OF 297.59 FEET TO A FOUND \(\frac{1}{2}\) INCH IRON ROD;

N 08° 10' 05" W, A DISTANCE OF 43.41 FEET TO A SET \(\frac{1}{2}\) INCH IRON ROD
WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 03° 52' 51" W, A DISTANCE OF 107.16 FEET TO A SET \(\frac{1}{2}\) INCH IRON ROD
WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";
N 03° 16' 49" W, A DISTANCE OF 119.06 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 00° 22' 45" W, A DISTANCE OF 151.30 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 05° 31' 35" W, A DISTANCE OF 281.80 FEET TO A FOUND ½ INCH IRON ROD;

N 05° 14' 21" W, A DISTANCE OF 491.54 FEET TO A FOUND ½ INCH IRON ROD MARKING THE NORTHWESTERLY CORNER OF SAID 31.823 ACRE TRACT, BEING THE SOUTHWESTERLY CORNER OF THAT CERTAIN 96.338 ACRE TRACT CONVEYED TO WILLIAM ROBERT SMITH III BY DEED OF RECORD IN VOLUME 1365, PAGE 681 OF SAID OFFICIAL PUBLIC RECORDS, FOR THE WESTERNMOST NORTHWESTERLY CORNER HEREOF;

THENCE, LEAVING THE EASTERLY RIGHT-OF-WAY LINE OF UPPER BALCONES ROAD, ALONG THE COMMON BOUNDARY LINE OF SAID 96.338 ACRE TRACT AND SAID 31.823 ACRE TRACT, THE FOLLOWING COURSES:

N 84° 12' 22" E, A DISTANCE OF 488.79 FEET TO A FOUND ½ INCH IRON ROD WITH PFIEFFER SURVEY CAP;

S 89° 32' 02" E, A DISTANCE OF 1078.27 FEET TO A FOUND ½ INCH IRON ROD WITH PFIEFFER SURVEY CAP;

N 79° 52' 56" E, A DISTANCE OF 898.04 FEET TO A FOUND ½ INCH IRON ROD WITH PFIEFFER SURVEY CAP MARKING THE NORTHEASTERLY CORNER OF SAID 31.823 ACRE TRACT, BEING THE NORTHWESTERLY CORNER OF SAID 27.94 ACRE TRACT;

THENCE, N 73° 11' 05" E, ALONG THE COMMON BOUNDARY LINE OF SAID 96.338 ACRE TRACT AND SAID 27.94 ACRE TRACT, A DISTANCE OF 1400.68 FEET TO A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 96.338 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 27.94 ACRE TRACT, SAME BEING IN THE WESTERLY LINE OF SAID 390.8354 ACRE TRACT AND AN INTERIOR ELL CORNER HEREOF;

THENCE, N 00° 19' 46" E, ALONG THE EASTERLY LINES OF SAID 96.338 ACRE TRACT AND THE EASTERLY LINE OF THAT CERTAIN 183.328 ACRE TRACT CONVEYED TO DOLORES ANN HOLMAN BY DEED OF RECORD IN VOLUME 92, PAGE 259 OF SAID DEED RECORDS, BEING THE WESTERLY LINE OF SAID 390.8354 ACRE TRACT, A DISTANCE OF 2888.59 FEET TO A FOUND ½ INCH IRON ROD MARKING THE NORTHWESTERLY CORNER OF SAID 390.8354 ACRE TRACT, BEING THE SOUTHWESTERLY CORNER OF THAT CERTAIN 40.592 ACRE TRACT CONVEYED TO PATRICK EITTER AND SPOUSE GISELLE EITTER BY DEED OF RECORD IN VOLUME 1381, PAGE 542 OF SAID OFFICIAL PUBLIC RECORDS, FOR THE NORTHERNMOST NORTHWESTERLY CORNER HEREOF;

THENCE, ALONG THE COMMON BOUNDARY LINE OF SAID 390.8354 ACRE TRACT AND SAID 40.592 ACRE TRACT, THE FOLLOWING COURSES:
S 89° 59' 55" E, a distance of 377.50 feet to a found ½ inch iron rod;
N 89° 38' 49" E, a distance of 842.65 feet to a found ½ inch iron rod;
S 89° 14' 25" E, a distance of 1323.68 feet to a found ½ inch iron rod
marking the northwesterly corner of lot 6 of said Bluegrass Subdivision,
being the northeasterly corner of said 390.8354 acre tract;

THENCE, along the a portion of the common boundary line of said 390.8354
acre tract and said Bluegrass Subdivision, the following courses:
S 00° 48' 52" E, a distance of 753.20 feet to a found ½ inch iron rod;
S 00° 50' 20" E, a distance of 736.92 feet to the point of beginning,
containing an area of 1012.262 acres of land, more or less.

I, MELISSA T. HINTON, a registered professional land surveyor, do
hereby certify that the property described herein was determined from
a survey made on the ground under my direction and supervision.

A survey exhibit was prepared on this same date. Basis of bearing is
NAD 83 Texas State Plane Coordinates, South Central Zone.

SHERWOOD SURVEYING & SUE, LLC
P.O. BOX 992
SPRING BRANCH, TEXAS 78070
TBLPS FIRM #10044200

[Signature]

12/1/16

MELISSA T. HINTON  DATE
R.P.L.S. #6521 STATE OF TEXAS

STATE OF TEXAS
REGISTERED
MELISSA T. HINTON
6521
PROFESSIONAL
LAND SURVEYOR

DRAFT
Attachment III

[Letter from GBRA to provide long term water service]
Attachment IV

Map/Drawing showing Initial Point of Delivery
## Attachment V

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Total Aggregate Amount (subject to critical period cut-back pursuant to Section 6.02)</th>
<th>New Meter</th>
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<tr>
<td>Effective Date - 2019</td>
<td>Zero acre-feet</td>
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<tr>
<td>2020</td>
<td>80 acre-feet</td>
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<td>2021</td>
<td>160 acre feet</td>
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<td>2022</td>
<td>250 acre-feet</td>
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<td>2023</td>
<td>350 acre-feet</td>
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<td>2025</td>
<td>550 acre-feet</td>
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<td>1,050 acre-feet</td>
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<td>2031</td>
<td>1,350 acre-feet</td>
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<tr>
<td>2032 until end of term</td>
<td>1,500 acre-feet</td>
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During the periods of (i) June 1, 2024 through June 30, 2024, and (ii) June 1, 2027 through June 30, 2027, WCID No. 3 may in its discretion make an election to permanently and irrevocably release and reduce unused amounts of the total Annual Commitment under this Contract by providing the System written notice during said periods, specifying the amount of water to be permanently and irrevocably released, and each calendar year thereafter the Total Annual Commitment shall be permanently reduced by said amount. The effective date of such release shall be the first day of the calendar year following the permitted date in which the notice is provided (i.e., January 1, 2025 or January 1, 2028). Following any such election permitted in this paragraph, this Attachment V shall be revised to reflect the reduced Annual Commitment and new meters required for each year of the remainder of the term.

For example, if WCID No. 3 provides written notice to the System on June 15, 2024 that it elects to permanently and irrevocably release and reduce 100 acre-feet of water, then beginning January 1, 2025, and every calendar year thereafter during the term, the Annual Commitment shall be reduced by 100 acre-feet, and the number and timing of new meters required shall be equitably reduced. And then if WCID No. 3 provides written notice to the System on June 1, 2027 that it elects to permanently and irrevocably release and reduce an additional 50 acre-feet of water, then beginning January 1, 2028, and every calendar year thereafter during the term, the Annual Commitment shall be further reduced by an additional 50 acre-feet, and the number and timing of new meters required shall be additionally equitably reduced.
Attachment VI
Billing Example
Example Monthly Bill

Based on annual commitment of 80 acre-feet, 6 inch meter, and 2019 wholesale rates

<table>
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<tr>
<th>6</th>
<th>Meter Size</th>
<th>2,172,340</th>
<th>Water Volume (Gallons)</th>
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<tr>
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<td>Base: ((annual acre-feet X 325,851)/12)</td>
<td>2,172,340</td>
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<tr>
<td>538.85</td>
<td>Fixed 6&quot; Svc. Avail. Fee</td>
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<tr>
<td>4,559.74</td>
<td>Water Delivery Rate</td>
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<td>5,548.16</td>
<td>Water Supply Fee</td>
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<td>$10,646.75</td>
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</table>

| 0.20   | TCEQ Water       | 767.49   |
| 767.49 | EAA Fee          |          |
| $11,414.44 |                |          |

$11,414.44 Total Monthly Bill

$136,973.28 Annual Bill Assuming Base Use Only
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: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MASTERSON ROAD 24-INCH WATER MAIN EXTENSION PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $1,036,362.00 to R.L. Jones LP, a local, SBE contractor, on a Developer Customer construction contract, and authorizes the expenditure of funds in the amount of $657,157.14 for associated construction fees to R.L. Jones LP, and reimbursements of $65,715.71 for associated design fees to Lennar Homes of Texas Land and Construction, LTD, in connection with the Masterson Road 24-Inch Water Main Extension Project.

• On August 1, 2017, by Resolution No. 17-171, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as the Masterson tract, a 335.40-acre tract, being developed by Lennar Homes of Texas Land and Construction, LTD, (“Developer”), and the oversizing of approximately 6,320 feet of 12-inch water main to 24-inch water main from the existing 24-inch water main coming out of the proposed facility to approach the eastern boundary of the Tract along Masterson Road, in order to conform with the Water Infrastructure Master Plan.

• The Developer is required to construct a 12-inch water main. System staff recommends oversizing approximately 6,320 feet of 12-inch water main to a 24-inch water main. The Developer is responsible for 36.59 percent of the oversizing of the 12-inch water main to a 24-inch water main for an estimated $379,204.86 of the project costs. The System is responsible for 63.41 percent of the oversizing of the 12-inch water main to a 24-inch water main for an estimated amount of $657,157.14.

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

• This project consists of the oversize construction of approximately 6,320 feet of 24-inch water main. The Masterson Road 24-Inch Water Main Extension Main Project is inside
the City of San Antonio limits and is located within the System’s water and wastewater CCN.

- R.L. Jones LP, a local, SBE contractor, has submitted the lowest responsible bid of $1,036,362.00 for construction of the project.

- The System will pay Lennar Homes of Texas Land and Construction, LTD, monthly, for the construction costs for the oversize project. The Developer will pay the System prior to beginning construction for the Developer’s proportionate share of the construction cost for the oversize project.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The project will finance this expenditure included in the Water Main Oversizing, Mains New Category, Water Delivery Core Business. This project is included in the Water Main Oversizing, Mains New Category, Water Delivery Core Business budget line item under job number 18-1018. The applicable water main oversize payment will be made monthly to R.L. Jones LP, in accordance with the Utility Service Regulations. The applicable design fees payment will be made to the Developer. The System will pay $657,157.14 for construction costs and $65,715.71 for associated design fees for a total cost of $722,872.85. The Developer will pay $379,204.86 of the construction costs and the remainder of the design fees.

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

SUPPLEMENTARY COMMENTS:

Bids for this project were opened on July 10, 2018, at 1:00 P.M. The following bids were accepted for submittal:
The bid amount represents a 44.08 percent decrease from the Engineer’s estimated construction cost. The contract provides for the completion of this project within 120 calendar days.

Additionally, the overall SMWVB analysis is shown in the following table:
Award of Construction Contract
Masterson Road 24-Inch Water Main Extension Project

Tracey B. Lehmann, P.E.
Director
Development

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

MASTERSON ROAD 24-INCH WATER MAIN EXTENSION

LEGEND

★ PROJECT SITE
☐ EDWARDS AQUIFER RECHARGE ZONE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO R.L. JONES LP IN THE AMOUNT OF $1,036,362.00 IN CONNECTION WITH THE MASTERTON ROAD 24-INCH WATER MAIN EXTENSION PROJECT; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT OF $657,157.14 FOR THE SYSTEM’S PROPORTIONATE SHARE OF THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT OF $65,715.71 FOR THE SYSTEM’S PROPORTIONATE SHARE OF THE ENGINEERING DESIGN FEES; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $722,872.85 FROM THE SYSTEM’S WATER MAIN OVERSIZING, MAINS NEW CATEGORY, WATER DELIVERY CORE BUSINESS CAPITAL IMPROVEMENT PROGRAM FOR THE SYSTEM’S PROPORTIONATE SHARE OF THE PROJECT WORK AND ENGINEERING FEES RELATED TO THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD AND R.L. JONES LP AND PROVIDE PAYMENT IN AN AMOUNT NOT TO EXCEED $657,157.14 TO R.L. JONES LP AND REIMBURSEMENTS OF $65,715.71 TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD FOR THE SYSTEM’S PROPORTIONATE SHARE OF THE COST TO OVERSIZE THE PROPOSED WATER MAINS; 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. 17-171, approved on August 1, 2017, the San Antonio Water System Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as Masterton Tract, a 335.40-acre tract, being developed by Lennar Homes of Texas Land and Construction, LTD and the oversize of approximately 6,320 feet of 24-inch water main in order to conform with the Water Infrastructure Master Plan; and
WHEREAS, the Developer is required to construct an 12-inch water main; and

WHEREAS, the System has elected to oversize the 12-inch water main to a 24-inch water main; and

WHEREAS, the System has solicited bids for the Masterson Road 24-Inch Water Main Extension Project (the “project work”); and

WHEREAS, the project work includes the oversize construction of approximately 6,320 feet of 12-inch water main to 24-inch water main; and

WHEREAS, R.L. Jones LP, a local, SBE contractor, submitted the bid of $1,036,362.00 for construction of the project and this bid is determined to be the lowest responsible bid; and

WHEREAS, Lennar Homes of Texas Land and Construction, LTD is responsible for funding their proportionate share of the construction of the project; and

WHEREAS, Lennar Homes of Texas Land and Construction, LTD is responsible for 36.59 percent of the project costs for approximately 6,320 feet of 12-inch water main oversized to a 24-inch water main; the System is responsible for 63.41 percent of the project costs for approximately 6,320 feet of 12-inch water main oversized to a 24-inch water main; and

WHEREAS, the System will pay Lennar Homes of Texas Land and Construction, LTD, monthly, for the System’s proportionate share of the cost to oversize the water main in accordance with the Board Regulations; and

WHEREAS, the amount of $722,872.85 is available in the System’s Water Main Oversizing, Mains New Category, Water Delivery Core Business Program for the System’s proportionate share of the project work costs and engineering fees related to oversizing the water main extension; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to R.L. Jones LP in the amount of $1,036,362.00 in connection with the Masterson Road 24-Inch Water Main Extension Project, (ii) to authorize System funds in the amount of $657,157.14 for the project work, (iii) to authorize System funds in the amount of $65,715.71 for design fees, (iv) to make available a total amount not to exceed $722,872.85 from the System’s Water Main Oversizing Program for the System’s proportionate share of the project work and engineering fees related to oversizing the proposed off-site water main, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Lennar Homes of Texas Land and Construction, LTD and R.L. Jones LP for the project work and to provide payment in an amount not to exceed $657,157.14 to R.L. Jones LP and reimbursements in an amount not to exceed $65,715.71 to Lennar Homes of Texas Land and Construction, LTD for the System’s cost to oversize the proposed off-site water main; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a construction contract in the amount of $1,036,362.00 hereby awarded to R.L. Jones LP in connection with the Masterson Road 24-Inch Water Main Extension Project.

2. That the expenditure of System funds in the amount of $657,157.14 for the System's proportionate share of the project work is hereby approved.

3. That the expenditure of System funds in the amount of $65,715.71 for the System’s proportionate share of engineering design fees associated with the project work is hereby authorized and approved.

4. That a total amount not to exceed $722,872.85 consisting of the System’s proportionate share of the project work costs and engineering fees related to the 24-inch oversized (12-inch required) water main, is hereby made available and is to be expended from the System’s Water Main Oversizing, Mains New Category, Water Delivery Core Business Program.

5. That the President/Chief Executive Officer or his duly appointed designee, is hereby authorized to execute a contract with Lennar Homes of Texas Land and Construction, LTD and R.L. Jones LP and to further provide payment in an amount not to exceed $657,157.14 for the cost to oversize the water main to R.L. Jones LP and reimbursements in an amount not to exceed $65,715.71 to Lennar Homes of Texas Land and Construction, LTD in accordance with the Utility Service Regulations in connection with the Masterson Road 24-Inch Water Main Extension Project.

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

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

8. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED on this 7th day of August 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Patricia E. Merritt, Assistant Secretary
AGENDA ITEM NO. 24

TO: San Antonio Water System Board of Trustees

FROM: Michael Myers, P.E., Director, Production, Recycle and Treatment, 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 WHISPERING WINDS DR. AND DUNES AVE. FROM MOGFORD TO RIPTIDE PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to R.L. Jones LP, a local, SBE-firm, in the amount of $1,242,843.00 in connection with the Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide Project.

- The contract that is the subject of the attached resolution, if approved, will authorize work that is required for the Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide Project.

- This contract will be used to replace water mains in need of repair based on age, size, water main break history, lack of fire flow, and inadequate pressure. The scope of work to be performed under this contract includes the replacement of approximately 9,900 feet of 2-inch, 3-inch, 6-inch and 8-inch mains with a new 8-inch main, as well as the installation of 21 new fire hydrants.

- R.L. Jones LP, has submitted the lowest responsible bid of $1,242,843.00.

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 Water Delivery Core Business, Mains New Category budget line item. The amount is $1,242,843.00 for water work. The job number 17-7004.

SUPPLEMENTARY COMMENTS:

RPS Klotz Associates prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $2,636,403.00.
A bid opening was held on July 13, 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>R.L. Jones LP*</td>
<td>$1,242,843.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Qro Mex Construction Co. Inc.</td>
<td>$1,264,483.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil Field Services, Inc.</td>
<td>$1,695,285.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Atlas Construction, Corp.</td>
<td>$1,699,215.50</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>D Guerra Construction, LLC</td>
<td>$1,959,707.71</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Dorazio Enterprises, Inc.</td>
<td>$2,398,052.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>*Lowest Responsible Bidder</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The bid amount represents a 53 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.L. Jones LP</td>
</tr>
<tr>
<td><strong>SMWVB Analysis – Board Award</strong></td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
</tr>
</tbody>
</table>

Michael Myers, P.E.  
Director  
Production, Recycle and Treatment

Andrea L.H. Beymer, P.E.  
Vice President  
Engineering and Construction
Award of Construction Contract  
Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide Project  

APPROVED:

[Signature]

Robert R. Puente  
President/Chief Executive Officer  

Attachments:  
1. Project Area Map  
2. Project Site Map
WHISPERING WINDS DR AND DUNES AVE
- FROM MOGFORD TO RIPTIDE
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

WHISPERING WINDS DR AND DUNES AVE
- FROM MOGFORD TO RIPTIDE

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO R.L. JONES LP IN THE AMOUNT OF $1,242,843.00 IN CONNECTION WITH THE WHISPERING WINDS DR. AND DUNES AVE. FROM MOGFORD TO RIPTIDE PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,242,843.00 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 R.L. JONES LP, AND TO PAY R.L. JONES LP AN AMOUNT NOT TO EXCEED $1,242,843.00 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 upgrade undersized water mains in need of replacement and for the installation of 21 additional fire hydrants; and

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

WHEREAS, R.L. Jones LP, a local, SBE-firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $1,242,843.00 for the project work; and

WHEREAS, System funds in the amount of $1,242,843.00 are required for the project work; and

WHEREAS, the total amount of $1,242,843.00 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 R.L. Jones LP in the amount of $1,242,843.00 in connection with the Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,242,843.00 from the System’s Project Fund for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with R.L. Jones LP, and to pay R.L. Jones LP an amount not to exceed $1,242,843.00 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 $1,242,843.00 is hereby awarded to R.L.
   Jones LP in connection with the Whispering Winds Dr. and Dunes Ave. from Mogford to Riptide
   Project.

2. That the expenditure of funds in an amount not to exceed $1,242,843.00 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 R.L. Jones LP, and to pay R.L. Jones LP an
   amount not to exceed $1,242,843.00 in connection with the Whispering Winds Dr. and Dunes Ave.
   from Mogford to Riptide 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 7th day of August, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant 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 VANCE JACKSON – IH 10 TO LOOP 410 PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to D Guerra Construction, LLC, a local, MBE-Hispanic firm, in the amount of $3,450,980.08 in connection with the Vance Jackson – IH 10 to Loop 410 Project.

- The contract will authorize replacement of existing water and sewer mains in connection with the Vance Jackson – IH 10 to Loop 410 Project.

- This contract will be used to replace water mains and a sewer main segment based on age, and/or condition. San Antonio Water System crews responded to over 20 main breaks in the last five years indicating that the mains had reached their useful life and would only require constant maintenance and repairs if they were not replaced.

- The scope of work includes water main replacement of approximately 10,600 feet of existing 6-inch through 16-inch water mains and the replacement of approximately 90 feet of existing 8-inch sanitary sewer main.

- D Guerra Construction, LLC submitted the lowest responsible bid of $3,450,980.08.

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 Water Delivery Core Business and Main Replacement – Water Category budget line item. The amount is $3,315,925.60 for water related work under job number 18-4002.

The wastewater work is included in the Wastewater Core Business and Main Replacement – Sewer Category budget line item. The amount is $135,054.48 for sewer related work under job number 18-4523.
SUPPLEMENTARY COMMENTS:

Trihydro Corporation prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $5,227,584.00.

A bid opening was held on June 29, 2018 at 2:00 PM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Guerra Construction, LLC*</td>
<td>$3,450,980.08</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Spaw Glass Contractors, Inc.</td>
<td>$3,799,212.66</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>E-Z Bel Construction, LLC</td>
<td>$4,233,985.13</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil Field Services Co., Inc.</td>
<td>$4,399,646.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Nerie Construction, LLC</td>
<td>$4,492,938.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Atlas Construction, Inc.</td>
<td>$4,597,320.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Facilities Rehabilitation</td>
<td>$4,630,388.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Qro Mex Construction, Inc.</td>
<td>$4,956,386.50</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>WPM Construction Services, Inc.</td>
<td>$5,092,149.47</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Engineer's Estimate</td>
<td>$5,227,584.00</td>
<td></td>
</tr>
<tr>
<td>R.L. Jones, LP</td>
<td>$5,733,333.33</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 33.99 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Vance Jackson – IH 10 to Loop 410 Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D Guerra Construction, LLC</strong></td>
</tr>
<tr>
<td><strong>SMWVB Analysis – Board Award</strong></td>
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<tr>
<td>MBE – Other</td>
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<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
</tr>
</tbody>
</table>
Award of Construction Contract
Vance Jackson – IH 10 to Loop 410 Project

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

APPROVED:

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

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 D GUERRA CONSTRUCTION, LLC IN THE AMOUNT
OF $3,450,980.08 IN CONNECTION WITH THE VANCE
JACKSON – IH 10 TO LOOP 410 PROJECT; APPROVING
THE EXPENDITURE OF FUNDS AND MAKING
AVAILABLE AN AMOUNT NOT TO EXCEED $3,450,980.08
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 D GUERRA
CONSTRUCTION, LLC, AND TO PAY D GUERRA
CONSTRUCTION, LLC AN AMOUNT NOT TO EXCEED
$3,450,980.08 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 replace water and sanitary sewer mains
based on condition assessment and frequency of main breaks; and

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

WHEREAS, D Guerra Construction, LLC, a local, MBE-Hispanic, is declared the
lowest responsible bidder and has submitted the low responsible bid of $3,450,980.08 for the
project work; and

WHEREAS, System funds in the amount of $3,450,980.08 for are required for the
project work; and

WHEREAS, the total amount of $3,450,980.08 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 D Guerra Construction, LLC in the amount of $3,450,980.08 in
connection with the Vance Jackson – IH 10 to Loop 410 Project, (ii) to approve the expenditure
of funds and make available an amount not to exceed $3,450,980.08 from the System’s Project
Fund for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly
appointed designee to execute a construction contract with D Guerra Construction, LLC, and to
pay D Guerra Construction, LLC an amount not to exceed $3,450,980.08 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 $3,450,980.08 is hereby awarded to D Guerra
   Construction, LLC in connection with the Vance Jackson – IH 10 to Loop 410 Project.

2. That the expenditure of funds in an amount not to exceed $3,450,980.08 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 D Guerra Construction, LLC, and to pay D
   Guerra Construction, LLC an amount not to exceed $3,450,980.08 in connection with the Vance
   Jackson – IH 10 to Loop 410 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, Titles 2, 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 7th day of August, 2018.

   ____________________________________________
   Berto Guerra, Jr., Chairman

ATTEST:

   ____________________________________________
   Patricia E. Merritt, Assistant 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: AUTHORIZATION FOR THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND TO REIMBurse THE CITY OF SAN ANTONIO IN CONNECTION WITH THE 2017 – 2022 BOND PROGRAM

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes funds in the amount of $1,500,000.00 to reimburse the City of San Antonio (the “City”) for engineering services and authorizes the President/Chief Executive Officer to execute a Memorandum of Understanding in connection with the City’s 2017 - 2022 Bond Program.

• On May 6, 2017, San Antonio voters approved the passage of an $850 million Bond Program. Six propositions were passed, which included 180 capital improvement projects.

• Proposed projects included in the bond program include:
  – 64 street, bridge and sidewalk projects ($445,263,000)
  – 19 drainage and flood control projects ($138,988,000)
  – 79 parks, recreation, and open spaces projects ($187,313,000)
  – 13 library and cultural facilities projects ($24,025,000)
  – 5 public health projects ($34,411,000)
  – Neighborhood improvement projects ($20,000,000)

• The City intends to use developer participation contracts to fund and construct some of these projects. Alternative delivery methods, such as Construction Manager at Risk, may be used for a small number of projects and Design Build will be used for the Prue Road from Babcock to Laureate project and the Broadway from Houston to Hildebrand project. All other projects will be done under the conventional Design/Bid/Build method.

• The San Antonio Water System (the “System”) and CPS Energy participated in the selection of design consultants. Forty-eight consultants were selected to design street and drainage projects. Engineering services related to the replacement and adjustment of the System’s facilities in connection with these projects, will be included in the City’s contracts with the design engineers.

• On October 5, 2017, City Council approved the negotiation and execution of engineering
contracts. Following successful negotiations, engineering contracts will be executed without further Council action.

- The evaluation of the System’s facilities within the project has been underway since 2016. Information regarding the condition of existing facilities, and the need for the installation of new facilities, was used to develop preliminary scopes of the System’s work in connection with the bond projects.

- System staff has attended scoping meetings with the City and the selected consultants. Early engagement in engineering is strongly desired to insure high quality design plans and compliance with the City’s aggressive schedule for the delivery of the bond projects.

- Authorizing funds, to reimburse the City for engineering services at this time, allows for the initiation of preliminary engineering services in regard to potholing, surveying, and schematic designs during the development of the City’s 40 percent submittal. As the 40 percent design is developed, the potential for the avoidance of adjustments can be evaluated and implemented before design plans are further developed. Preliminary replacement designs can also be initiated.

- The Memorandum of Understanding designates the City as the lead contracting agency, establishes the City’s internet-based management system as the vehicle for communication and document approval and processing, and includes terms by which the System will reimburse the City for design and construction related costs in regard to the 2017 - 2022 Bond projects.

- It is expected that additional funding will be required to complete the System’s related engineering services through construction. Additional funds will be requested as adjustment and relocation requirements are identified and project designs are further defined.

- The consultants selected for each project are shown under Supplementary Comments.

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 $1,000,000.00 for water related engineering work.

The wastewater work is included in the Wastewater Core Business, Governmental Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is
$500,000.00 for sewer related engineering work.

**SUPPLEMENTARY COMMENTS:**

The consultants and the projects they were selected for are listed in the following table:

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Portion of Pedestrian Mobility Improvements</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>AIA Engineers, Ltd.</td>
<td>Enrique Barrera Pkwy (Old Hwy 90) Corridor Phase 1</td>
<td>Local/MBE-Asian</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Esma Area Drainage Improvements</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Big Red Dog, Inc.</td>
<td>Portion of Pedestrian Mobility Improvements</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Brown &amp; Gay Engineers, Inc.</td>
<td>Southcross (IH 37 to IH 35) (World Heritage)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Camacho-Hernandez and Associates, LLC</td>
<td>Goliad (Fair Avenue to East Southcross)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Civil Design Services, Inc.</td>
<td>Eisenhauer Northwood-Devonshire Area Drainage Outfall Phase 1</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>CNG Engineering, PLLC</td>
<td>Blossom Park-Lotus Blossom Drainage Improvements</td>
<td>Local/MBE-AABE</td>
</tr>
<tr>
<td>Cobb, Fendley &amp; Associates, Inc.</td>
<td>Jones Maltsberger/Burning Trail Intersection Improvements</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>CP&amp;Y, Inc.</td>
<td>Commerce Street (Santa Rosa to Frio)</td>
<td>Local/MBE-Asian</td>
</tr>
<tr>
<td>Don Durden, Inc. dba Civil Engineering Consultants</td>
<td>Roosevelt Corridor Improvements</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Fernandez, Frazer, White and Associates, Inc.</td>
<td>Monticello Park (Area Streets)</td>
<td>Local/SBE, VBE</td>
</tr>
<tr>
<td>Ford Engineering, Inc.</td>
<td>Upland Road Drainage</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Freese and Nichols, Inc.</td>
<td>North New Braunfels Phase 1 (Houston to Burleson)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Garcia &amp; Wright Consulting Engineers, Inc.</td>
<td>Bitters Road Intersections &amp; Sidewalks (Savannah Pass to Blanco Road)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Garza EMC, LLC</td>
<td>Mission Road (San Antonio River to SE Military Drive) (World Heritage)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>GGC Engineers, Inc.</td>
<td>Rittiman (IH-35 to Castle Cross)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Consultant</td>
<td>Project</td>
<td>Status</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>GGE Consulting Engineers, Inc., dba GE Reaves Engineering</td>
<td>Applewhite Intersections (South of Watson &amp; Zarzamora)</td>
<td>Local/MBE-Hispanic, VBE</td>
</tr>
<tr>
<td>Gonzalez, Kypuros and White, Inc. dba GKW, Inc.</td>
<td>N. Flores/Fredericksburg (Five Points) Intersection Improvements</td>
<td>Local/MBE-Hispanic, VBE</td>
</tr>
<tr>
<td>Gonzalez-De La Garza &amp; Associates, LLC</td>
<td>N. St. Mary's Street Improvements (Mistletoe to Josephine)</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Halfff Associates, Inc</td>
<td>Barbara Drive Phase 2 Drainage</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>HDR Engineering, Inc.</td>
<td>Hemisfair Internal Streets Phase 2</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>HNTB Corporation</td>
<td>Auldine &amp; Burr Oak Alley to Outfall Drainage</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>IDCUS, Inc.</td>
<td>Bynum Avenue (West Gerald to SW Military)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Jacobs Engineering Group Inc.</td>
<td>Portion of Pedestrian Mobility Improvements</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Jones &amp; Carter, Inc.</td>
<td>Thousand Oaks (Wetmore to Perrin Bietel Rd)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>KFW Management, LLC dba KFW Engineers &amp; Surveying</td>
<td>West Military and Westmar Area Drainage Improvements</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Kimley-Horn and Associates, Inc.</td>
<td>Probandt (Alamo to Highway 90)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Klotz Associates, Inc. dba RPS Klotz Associates</td>
<td>South Presa (SE Military to Southcross) (World Heritage)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>LNV, Inc.</td>
<td>Bulverde Rd Phase 1 (Butterleigh to North of Quiet Meadows)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Lockwood, Andrews &amp; Newnam, Inc.</td>
<td>N. Main and Soledad (Pecan to Navarro)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>M &amp; S Engineering, LLC</td>
<td>Vance Jackson Low Water Crossing Improvements</td>
<td>Local/WBE-Asian</td>
</tr>
<tr>
<td>Maestas &amp; Associates, Inc.</td>
<td>Cedarhurst Drive Area Drainage Improvements (Dumont Drive to Eaglerock Drive)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Mendez Engineering, PLLC</td>
<td>Portion of Pedestrian Mobility Improvements</td>
<td>Local/MBE-Hispanic, VBE</td>
</tr>
<tr>
<td>Michael Baker International, Inc.</td>
<td>Camaron (Houston to Fox Tech) Pedestrian Improvements</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Moore Iacofano Goltsman, Inc.</td>
<td>San Saba (Nueva to Martin)</td>
<td>Local/Non-SMWVB</td>
</tr>
</tbody>
</table>
Authorization to Execute MOU - Engineering Services  
And Reimburse the City of San Antonio  
2017 - 2022 Bond Program

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moy Tarin Ramirez Engineers, LLC</td>
<td>Thomas Jefferson High School Area Improvements</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>MW Cude Engineers, LLC</td>
<td>Portion of Pedestrian Mobility Improvements</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Pape-Dawson Engineers, Inc.</td>
<td>Santa Rosa (Cesar E. Chavez to Martin)</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Poznecki-Camarillo, Inc.</td>
<td>Fredericksburg (N. Flores to Woodlawn)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Reyes &amp; Hamilton Engineers PLLC</td>
<td>O.P. Schnabel Park Entrance Improvements &amp; Bridge</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Sanchez-Salazar &amp; Associates, LLC</td>
<td>Paso Del Norte (Shady Oaks)</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Slay Engineering Company, Inc.</td>
<td>Portion of Pedestrian Mobility Improvements</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Structural Engineering Associates, Inc.</td>
<td>Zarzamora Overpass @ UPRR/Frio City Road</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Unintech Consulting Engineers, Inc.</td>
<td>Seeling Channel Phase 3 Drainage</td>
<td>Local/WBE-Asian</td>
</tr>
<tr>
<td>Vickrey &amp; Associates, Inc.</td>
<td>South Pine/Greer Street Drainage Improvements Phase 1</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>WSP USA, Inc.</td>
<td>Evans Road Intersection &amp; Corridor Improvements</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Young Professional Resources</td>
<td>Heath Road &amp; Grissom Road Intersection</td>
<td>Local/MBE-AABE</td>
</tr>
</tbody>
</table>

APPROVED:

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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING REIMBURSEMENT TO THE CITY OF SAN ANTONIO IN AN AMOUNT NOT TO EXCEED $1,500,000.00 FOR PROFESSIONAL ENGINEERING SERVICES IN CONNECTION WITH THE 2017-2022 BOND PROGRAM; APPROVING AN AMOUNT NOT TO EXCEED $1,500,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN ANTONIO FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, San Antonio voters approved the passage of a $850 million bond program on May 6, 2017; and

WHEREAS, the 2017-2022 Bond Program includes 180 capital improvement projects of the City of San Antonio (the “City”); and

WHEREAS, the San Antonio Water System (the “System”) water or sewer facilities may be impacted by the construction or require replacement due to deterioration; and

WHEREAS, the System requires professional engineering services (the “project engineering work”) for the replacement or adjustment of water and sewer facilities in connection with such projects; and

WHEREAS, the project engineering work will consist of all services necessary for the design and construction of projects; and

WHEREAS, System funds in the amount of $1,500,000.00 are required to reimburse the City for the project engineering work; and

WHEREAS, the amount of $1,500,000.00 is available from the System’s Project Fund for the project engineering work; and

WHEREAS, a Memorandum of Understanding, to be executed by the System and
the City, includes terms in which the System’s project engineering work will be included in the City’s engineering contracts and provides for reimbursement to the City for the System’s project engineering work and construction costs related to the 2017-2022 Bond Program projects; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve reimbursement to the City in an amount not to exceed $1,500,000.00 for the project engineering work in connection with the 2017-2022 Bond Program, (ii) to approve and make available an amount not to exceed $1,500,000.00 from the System’s Project Fund to reimburse the City for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a Memorandum of Understanding with the City for the project engineering work in connection with the 2017-2022 Bond Program; now, therefore:

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

1. That the expenditure of funds in an amount not to exceed $1,500,000.00 to reimburse the City for the project engineering work in connection with 2017-2022 Bond Program is hereby approved.

2. That an amount not to exceed $1,500,000.00 for the project engineering work is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a Memorandum of Understanding with the City for the project engineering work in connection with 2017-2022 Bond Program projects.

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 7th day of August, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

FROM: Alissa R. Lockett, P.E., Director, Vista Ridge Integration, 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 CENTRAL WATER INTEGRATION PIPELINE PROJECT – MALTSBERGER GROUND STORAGE TANK REHABILITATION

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Horizon Bros. Painting Corp., a non-local, non-SMWVB contractor, in the amount of $1,687,400.00 in connection with the Central Water Integration Pipeline Project – Maltsberger Ground Storage Tank Rehabilitation.

- The San Antonio Water System (the “System”) entered into a Water Transmission and Purchase Agreement on November 4, 2014 with Vista Ridge, LLC to provide and deliver an alternate water supply to the System through the Vista Ridge Regional Supply Project. The Central Water Integration Pipeline Project (the “Project”) will deliver water from the Vista Ridge Regional Supply Project to integration points within the distribution system.

- The Project consists of approximately 15 miles of new and existing transmission main beginning at the proposed pump station located at the Vista Ridge terminus facility in north Bexar County to the Basin Pump Station with intermediate drop-off points at Bitters and Maltsberger Pump Stations.

- The System operates and maintains 197 water pump stations and 215 water storage tanks. There is an on-going program to maintain paint coatings on water tanks to provide for rust and corrosion protection as well as to improve general appearance. The water tanks are also rehabilitated to comply with the Texas Commission on Environmental Quality (TCEQ) requirements, the American Water Works Association (AWWA) and the Occupational Safety & Health Administration (OSHA) standards.

- This construction contract includes repainting of the interior and exterior steel surfaces of a 7.5 million gallon steel ground storage tank at the Maltsberger Pump Station along with replacement of tank ladders, hatches and vents; piping and electrical improvements; and other miscellaneous tank work.

- The useful life of the coating systems used to protect the System’s steel tanks from rust and corrosion is estimated to be 15 years. The tank at the Maltsberger Pump Station was
previously rehabilitated in 2001 and was programmed for its next scheduled rehabilitation in 2018 following a condition assessment performed in December 2016.

- Horizon Bros. Painting Corp. has submitted the lowest responsible bid of $1,687,400.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The System Fund will finance this expenditure included in the 2018 Operations and Maintenance budget (Company: 1000, Accounting Unit: 5027500, Account: 511220) for the Maltsberger Ground Storage Tank Rehabilitation Project. The amount is $1,687,400.00 for the Project work under job number 18-8611.

**SUPPLEMENTARY COMMENTS:**

Tetra Tech, Inc. prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $1,876,900.00.

A bid opening was held on July 24, 2018 at 2:00 P.M. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizon Bros. Painting Corp.*</td>
<td>$1,687,400.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>CFG Industries, LLC</td>
<td>$1,709,000.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Atlas Painting and Sheeting Corp.</td>
<td>$1,740,000.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,876,900.00</td>
<td></td>
</tr>
<tr>
<td>N.G. Painting, LP</td>
<td>$2,166,000.00</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>E.J. Chris Contracting Inc.</td>
<td>$2,428,448.00</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Blastco Texas, Inc.</td>
<td>$2,531,332.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>TMI Coatings, Inc.</td>
<td>$2,623,000.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Black Castle General Contractor</td>
<td>$3,473,768.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

* Lowest Responsible Bidder

The bid amount represents a 10.1 percent decrease from the estimated construction cost. This contract provides for 180 calendar days for substantial completion of the project work.
Additionally, the overall SMWVB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>Central Water Integration Pipeline Project – Maltsberger Ground Storage Tank Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizon Bros. Painting Corp.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>21.87%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>21.87%</td>
</tr>
</tbody>
</table>

Alissa R. Lockett, P.E.  
Director  
Vista Ridge Integration

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 SITE MAP
ATTACHMENT II

CENTRAL WATER INTEGRATION PIPELINE
PROJECT - MALTSBERGER GROUND STORAGE
TANK REHABILITATION

LEGEND
PROJECT SITE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO HORIZON BROS. PAINTING CORP. IN THE AMOUNT OF $1,687,400.00 IN CONNECTION WITH THE CENTRAL WATER INTEGRATION PIPELINE PROJECT – MALTSBERGER GROUND STORAGE TANK REHABILITATION; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,687,400.00 FROM THE SYSTEM FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH HORIZON BROS. PAINTING CORP., AND TO PAY HORIZON BROS. PAINTING CORP. AN AMOUNT NOT TO EXCEED $1,687,400.00 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 the Maltsberger Ground Storage Tank, which is in need of repair based on condition assessment and its integral role in the integration of Vista Ridge water; and

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

WHEREAS, Horizon Bros. Painting Corp. has submitted a bid in the amount of $1,687,400.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, System funds in an amount not to exceed $1,687,400.00 are required for the project work; and

WHEREAS, the total amount of $1,687,400.00 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 Horizon Bros. Painting Corp. in the amount of $1,687,400.00 in connection with the Central Water Integration Pipeline Project – Maltsberger Ground Storage Tank Rehabilitation, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,687,400.00 from the System Fund for the project work, and (iii) to authorize the
President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Horizon Bros. Painting Corp., and to pay Horizon Bros. Painting Corp. an amount not to exceed $1,687,400.00 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 $1,687,400.00 is hereby awarded to Horizon Bros. Painting Corp. in connection with the Central Water Integration Pipeline Project – Maltsberger Ground Storage Tank Rehabilitation.

2. That the expenditure of funds in an amount not to exceed $1,687,400.00 for the project work is hereby approved and made available from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Horizon Bros. Painting Corp., and to pay Horizon Bros. Painting Corp. an amount not to exceed $1,687,400.00 in connection with the Central Water Integration Pipeline Project – Maltsberger Ground Storage Tank Rehabilitation.

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 7th day of August, 2018.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

FROM: Tracey 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: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE NACO GROUND STORAGE TANK REHABILITATION PROJECT

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Horizon Bros. Painting Corp., a non-local, non-SMWVB firm, in the amount of $1,748,110.00 in connection with the Naco Ground Storage Tank Rehabilitation Project.

- The San Antonio Water System (the “System”) operates and maintains 197 water pump stations and 215 water storage tanks. There is an on-going program to maintain paint coatings on water tanks to provide for rust and corrosion protection as well as to improve general appearance. The water tanks are also rehabilitated to comply with the Texas Commission on Environmental Quality (TCEQ) requirements, the American Water Works Association (AWWA) and the Occupational Safety & Health Administration (OSHA) standards.

- The Tank Rehabilitation Program for 2018 includes the rehabilitation of the Naco Ground Storage Tank (the “Naco GST”) a 7.5 million gallon ground storage tank located close to the intersection of O’Connor Road and Nacogdoches Road behind the Northeast Service Center. The project work is primarily comprised of the repainting of the interior and exterior surfaces, overflow pipe modifications, other minor piping modifications, two 48-inch and one 60-inch butterfly valve replacement, weir box repairs, minor foundation improvements, new access platform, tank ladder improvements, roof vent replacement, electrical improvements, and other minor miscellaneous work.

- On August 2, 2016, the System’s Board of Trustees by Resolution No. 16-203, authorized a professional services contract with Kimley-Horn and Associates, Inc. in the amount of $950,000.00 to provide professional engineering design services in connection with the project.

- Horizon Bros. Painting Corp. has submitted the lowest responsible bid of $1,748,110.00.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The System Fund will finance this expenditure included in the 2018 Operations and Maintenance budget (Company: 1000, Accounting Unit: 5027500, Account: 511220) for the Naco Ground Storage Tank Rehabilitation Project. This work is included in the Water Delivery Core Business, Naco Ground Storage Tank Rehabilitation. The amount is $1,748,110.00 for water related work under job number 17-0113.

**SUPPLEMENTARY COMMENTS:**

Kimley-Horn and Associates, Inc. prepared the bid proposal and specifications for this project. The engineer’s estimated construction cost was $2,013,520.00.

A bid opening was held on June 25, 2018 at 2:00 P.M. The following bids were submitted.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizon Bros. Painting Corp.*</td>
<td>$1,748,110.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>V &amp; T Painting, LLC</td>
<td>$1,783,620.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>CFG Industries, LLC</td>
<td>$1,785,680.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,013,520.00</td>
<td></td>
</tr>
<tr>
<td>N.G. Painting, LP</td>
<td>$2,214,060.00</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>E.J. Chris Contracting, Inc.</td>
<td>$2,248,340.00</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Southern Road &amp; Bridge, LLC</td>
<td>$2,467,100.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Blastco Texas Inc.</td>
<td>$2,839,870.00</td>
<td>Non–Local/Non–SWMVB</td>
</tr>
<tr>
<td>Classic Protective Coatings, Inc.</td>
<td>$2,953,450.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>TMI Coatings Inc.</td>
<td>$3,646,820.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 13.18 percent decrease from the estimated construction cost. This contract has 215 calendar days for construction completion.

Additionally, the overall SMWVB analysis is shown in the following table:
**Naco Ground Storage Tank Rehabilitation Project**

**Horizon Bros. Painting Corp.**

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE–African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE–Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE–Hispanic</td>
<td>21.09%</td>
</tr>
<tr>
<td>MBE–Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE–Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>21.09%</td>
</tr>
</tbody>
</table>

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**Approvals:**

Tracey B. Lehmann, P.E.
Director
Development

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 SITE MAP
ATTACHMENT II

NACO GROUND STORAGE TANK (GST)
REHABILITATION

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES AWARDING A CONSTRUCTION CONTRACT
TO HORIZON BROS. PAINTING CORP. IN THE AMOUNT
OF $1,748,110.00 IN CONNECTION WITH THE NACO
GROUND STORAGE TANK REHABILITATION PROJECT;
APPROVING EXPENDITURES AND MAKING
AVAILABLE AN AMOUNT NOT TO EXCEED $1,748,110.00
FROM THE SYSTEM FUND FOR THE PROJECT WORK;
AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE
OFFICER OR HIS DULY APPOINTED DESIGNEE TO
EXECUTE A CONSTRUCTION CONTRACT WITH
HORIZON BROS. PAINTING CORP., AND TO PAY
HORIZON BROS. PAINTING CORP. AN AMOUNT NOT TO
EXCEED $1,748,110.00 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 the Naco Ground Storage
Tank 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, Horizon Bros. Painting Corp., a non-local, non-SMWVB firm, has
submitted a bid of $1,748,110.00 for the project work and has been determined to be the lowest
responsible bidder; and

WHEREAS, System funds in the amount of $1,748,110.00 are required for the
project work; and

WHEREAS, the total amount of $1,748,110.00 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 Horizon Bros. Painting Corp. in the amount of $1,748,110.00 in
connection with the Naco Ground Storage Tank Rehabilitation Project, (ii) to approve the
expenditure of funds and make available an amount not to exceed $1,748,110.00 from the System
Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee
to execute a construction contract with Horizon Bros. Painting Corp., and to pay Horizon Bros.
Painting Corp. an amount not to exceed $1,748,110.00 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 $1,748,110.00 is hereby awarded to Horizon Bros. Painting Corp. in connection with the Naco Ground Storage Tank Rehabilitation Project.

2. That the expenditure of funds in an amount not to exceed $1,748,110.00 for the project work is hereby approved and made available from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Horizon Bros. Painting Corp., and to pay Horizon Bros. Painting Corp. an amount not to exceed $1,748,110.00 in connection with the Naco Ground Storage Tank Rehabilitation 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 7th day of August, 2018.

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Special Projects, and Donovan Burton, Vice President, Water Resources and Governmental Relations

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

SUBJECT: APPROVAL OF A FEASIBILITY COST SHARING AGREEMENT WITH THE UNITED STATES DEPARTMENT OF THE ARMY IN CONNECTION WITH A MITCHELL LAKE AQUATIC ECOSYSTEM RESTORATION FEASIBILITY STUDY TO BE PERFORMED BY THE U.S. ARMY CORPS OF ENGINEERS

Board Action Date: August 7, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Feasibility Cost Sharing Agreement (FCSA) between the San Antonio Water System (the “System”) and the United States Department of the Army in an amount not to exceed $1,500,000.00 in connection with a Mitchell Lake Aquatic Ecosystem Restoration Feasibility Study to be performed by the U.S. Army Corps of Engineers (USACE).

• Mitchell Lake is a 600 acre body of water owned by the System that was formerly used in wastewater operations and is currently a bird sanctuary.

• Mitchell Lake is a permitted wastewater treatment facility. The United States Environmental Protection Agency has issued an administrative order to the System to improve the quality of the water leaving the lake as a result of rainfall runoff.

• The System is currently in Phase 1 of the Mitchell Lake Wetlands Project. Phase 1 is to study whether the System can construct wetlands downstream of Mitchell Lake to achieve compliance with the System’s permit. Phase 1 includes construction of a pilot wetlands system, evaluating the possibility of in-lake treatment, and evaluating rehabilitation of the dam and spillway. The Phase 1 study will be complete in late 2020.

• Pending the results of the Phase 1 study and evaluation, Phase 2 of the project is anticipated to begin in 2021. Phase 2 includes the design and construction of the full scale downstream wetlands, the in-lake treatment as appropriate, and the dam and spillway.

• The USACE has included in its Fiscal Year 2018 Work Plan a study of Mitchell Lake as it relates to Aquatic Ecosystem Restoration. The study is to last no longer than a three-year period and cost not more than $3,000,000.00, with the System and the Department of the Army each bearing one-half of the total cost.
The USACE study would include investigation into methods of “working with nature” to restore lost/degraded ecological function while also assisting in reducing the eutrophic conditions of the lake’s water. Potential measures of restoration of interest to the USACE could include, but are not limited to, removal of invasive species, reforestation, wetland plantings, water level control, and inflow and outflow water polishing.

USACE requires that the System enter a FCSA with the Department of the Army by early September of 2018 for the USACE to be able to fund its one-half share of study costs.

Once the FCSA is executed, System staff will work with USACE staff to develop a Scope of Work (SOW) for the USACE Aquatic Ecosystem Restoration Feasibility Study.

The System may provide in-kind services or directly pay for the System’s 50 percent share of the USACE study. The $1,500,000.00 funded by the Department of the Army is only for the USACE to study Aquatic Ecosystem Restoration and cannot include any studies that are already underway, or any design or construction costs. Therefore, the $1,321,490.00 approved by the System’s Board of Trustees on October 10, 2017, by Resolution No. 17-233, for Phase 1 of the System’s study at Mitchell Lake by Alan Plummer and Associates, Inc. (APAI) is not eligible as in-kind services, and the construction of the pilot wetlands, and/or design of the dam & spillway and full scale wetlands are not eligible for the funding.

System participation in the USACE study is required in order for the System to be considered for future potential funding for design, and separate future potential funding for construction of the recommendations from the study.

While the current work underway by APAI is ineligible for consideration as in-kind services, the APAI work may help reduce the SOW for the USACE study.

The USACE study is expected to duplicate portions of the work currently underway by APAI. System staff will propose to use portions of the APAI work, such as the environmental and geotechnical sampling and surveys, to reduce the USACE study SOW.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The services will be paid from System funds budgeted in the 2019, 2020, and 2021 budgets, pursuant to and contingent upon Board approval of the 2019, 2020, and 2021 budgets with a line item for such expenditures. (Company: 1000, Accounting Unit: 5047900, Accounts: 511312, estimated total 2019 amount is $500,000.00, 2020 is $500,000.00 and 2021 is $500,000.00).
Total value of this action is up to $1,500,000.00

Sam Mills, P.E.
Director
Special Projects

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 A FEASIBILITY COST SHARING AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE UNITED STATES DEPARTMENT OF THE ARMY IN CONNECTION WITH THE MITCHELL LAKE AQUATIC ECOSYSTEM RESTORATION FEASIBILITY STUDY TO BE PERFORMED BY THE U.S. ARMY CORPS OF ENGINEERS; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $1,500,000.00 FROM THE SYSTEM FUND, AND THAT THE SUBSEQUENT YEAR’S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A FEASIBILITY COST SHARING AGREEMENT WITH THE UNITED STATES DEPARTMENT OF THE ARMY, AND TO PAY THE UNITED STATES DEPARTMENT OF THE ARMY AN AMOUNT NOT TO EXCEED $1,500,000.00 FOR THE MITCHELL LAKE AQUATIC ECOSYSTEM RESTORATION FEASIBILITY STUDY TO BE PERFORMED BY THE U.S. ARMY CORPS OF ENGINEERS; 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”) owns and operates Mitchell Lake; and

WHEREAS, the System has been approved and put in the United States Army Corps of Engineers (USACE) Fiscal Year 2018 Work Plan to a study of Mitchell Lake to last no longer than a three-year period and cost not more than $3,000,000.00, with the System and the Department of the Army each bearing one-half of the total cost; and

WHEREAS, the USACE is interested in studying the feasibility of Aquatic Ecosystem Restoration of Mitchell Lake and the surrounding areas; and

WHEREAS, System participation by matching funds of up to $1,500,000.00 in the USACE study is required in order for the System to be considered for future potential funding
for design, and separate future potential funding for construction, of the recommendations from the study; and

WHEREAS, USACE requires that the System enter a Feasibility Cost Sharing Agreement (FCSA) with the Department of the Army by early September of 2018 for the USACE to be able to fund its one-half share of study costs; and

WHEREAS, System staff have determined that it is in the best interests of the System to participate in the Mitchell Lake Aquatic Ecosystem Feasibility Study with the USACE; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve a FCSA with United States Department of the Army in connection with the Mitchell Lake Aquatic Ecosystem Restoration Feasibility Study to be performed by the USACE, (ii) approve the expenditure of funds and make available an amount not to exceed $1,500,000.00 from the System Fund, and that the subsequent year’s expenditures are pursuant to and contingent upon board approval of the subsequent year’s budget with a line item for such expenditures, and (iii) authorize the President/Chief Executive Officer or his duly appointed designee to execute a FCSA with United States Department of the Army, and to pay United States Department of the Army an amount not to exceed $1,500,000.00 in connection with the Mitchell Lake Aquatic Ecosystem Restoration Feasibility Study to be performed by the USACE; now, therefore:

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

1. That a FCSA in the amount of $1,500,000.00 with the United States Department of the Army in connection with the Mitchell Lake Aquatic Ecosystem Restoration Feasibility Study to be performed by the USACE is hereby approved.

2. That the expenditure of funds in an amount not to exceed $1,500,000.00 is hereby approved and made available from the System Fund, and that the subsequent year’s expenditures are pursuant to and contingent upon board approval of the subsequent year’s budget with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a FCSA with United States Department of the Army an amount not to exceed $1,500,000.00 in connection with the Mitchell Lake Aquatic Ecosystem Restoration Feasibility Study to be performed by the USACE.

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

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason
held to be unconstitutional, illegal, 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. This resolution becomes effective immediately upon its passage.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 7th day of August 2018.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary

Attachment:
1. Model Agreement for Cost Shared Feasibility Studies
2. USACE Mitchell Lake Fact Sheet
MODEL AGREEMENT
FOR
COST SHARED FEASIBILITY STUDIES
APRIL 2, 2015
(with updates as of JUNE 14, 2018)

APPLICABILITY AND INSTRUCTIONS:

1. The attached model feasibility cost sharing agreement (FCSA) must be used for all cost shared feasibility studies of proposed projects that will require specific authorization from Congress; for cost shared general reevaluation studies; and for cost shared feasibility studies of projects authorized without a completed Corps feasibility study.

2. The responsibility for review and approval of a FCSA that does not deviate from the approved model, or for an amendment to the approved April 2, 2015 model to include an approved option to the model, has been delegated to the MSC Commander and may be further delegated to the District Commander. Division Counsel concurrence (or District Counsel concurrence if approval authority is further delegated) that the FCSA, or amendment, does not deviate from the subject model, and is appropriate for use for the particular study, is required prior to approval. In addition, the MSC Commander has been delegated authority to approve non-substantive deviations to the model FCSA. Division Counsel review of such deviations, with a recommendation to approve such deviations, is required prior to approval by the MSC Commander.

3. The following options, including language for the FCSA, are addressed in the Attachment:
   a. Option 1: Sponsor is a Non-Profit Entity (page A-1).
   c. Option 3: Multiple Sponsors (page A-3).
   d. Option 4: Study in American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, or Puerto Rico, or involving an Indian Tribe (page A-4).
   e. Option 5: Project Management Plan prepared prior to execution of the FCSA (page A-6).
   f. Option 6: Accelerated Funds, following approval by HQUSACE (page A-7).
   g. Option 7: Contributed Funds, following Committee notification (page A-8).

4. Reminder: Make all required insertions, including language associated with an option; remove this cover page; remove the open and close brackets and any instructional text; ensure the spacing and page breaks throughout the FCSA are appropriate; if more than one option is used, ensure the Article and paragraph numbering and references therein are correct; and delete the Attachment.

5. The Certificate of Authority, Certification Regarding Lobbying, and the Non-Federal Sponsor’s Self-Certification of Financial Capability should be included as a part of the FCSA package. These certificates can be found on the Corps’ “Project Partnership Agreements” website under the “Forms” tab.
AGREEMENT BETWEEN
THE DEPARTMENT OF THE ARMY AND
[INSERT FULL NAME OF NON-FEDERAL SPONSOR]
FOR THE
[INSERT FULL NAME OF FEASIBILITY STUDY]

THIS AGREEMENT is entered into this ________ day of ________, ____, by and between the Department of the Army (hereinafter the “Government”), represented by the District Commander for [Insert Name of USACE District, e.g., New Orleans District] (hereinafter the “District Commander”) and the [Insert Full Name of Non-Federal Sponsor] (hereinafter the “Non-Federal Sponsor”), represented by the [Insert Title].

WITNESSETH, THAT:

WHEREAS, [Insert cite to authority] authorizes [Insert short description of the study];

WHEREAS, Section 105(a) of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2215(a)), specifies the cost-sharing requirements; and

WHEREAS, the Government and the Non-Federal Sponsor have the full authority and capability to perform in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

A. The term “Study” means the activities and tasks required to identify and evaluate alternatives and the preparation of a decision document that, as appropriate, recommends a coordinated and implementable solution for [Insert project purpose] at [Insert location].

B. The term “shared study costs” means all costs incurred by the Government and Non-Federal Sponsor after the effective date of this Agreement that are directly related to performance of the Study and cost shared in accordance with the terms of this Agreement. The term includes, but is not necessarily limited to, the Government’s costs for preparing the PMP; for plan formulation and evaluation, including costs for economic, engineering, real estate, and environmental analyses; for preparation of a floodplain management plan if undertaken as part of the Study; for preparing and processing the decision document; for supervision and administration; for Agency Technical Review and other review processes required by the Government; and for response to any required Independent External Peer Review; and the Non-Federal Sponsor’s creditable costs for in-kind contributions, if any. The term does not include any costs for dispute resolution;
participation in the Study Coordination Team; audits; an Independent External Peer Review panel, if required; or negotiating this Agreement.

C. The term “PMP” means the project management plan, and any modifications thereto, developed in consultation with the Non-Federal Sponsor, that specifies the scope, cost, and schedule for Study activities and tasks, including the Non-Federal Sponsor’s in-kind contributions, and that guides the performance of the Study.

D. The term “in-kind contributions” means those planning activities (including data collection and other services) that are integral to the Study and would otherwise have been undertaken by the Government for the Study and that are identified in the PMP and performed or provided by the Non-Federal Sponsor after the effective date of this Agreement and in accordance with the PMP.

E. The term “maximum Federal study cost” means the $1,500,000 Federal cost limit for the Study, unless the Government has approved a higher amount.

F. The term “fiscal year” means one year beginning on October 1st and ending on September 30th of the following year.

ARTICLE II - OBLIGATIONS OF THE PARTIES

A. In accordance with Federal laws, regulations, and policies, the Government shall conduct the Study using funds appropriated by the Congress and funds provided by the Non-Federal Sponsor. The Non-Federal Sponsor shall perform or provide any in-kind contributions in accordance with applicable Federal laws, regulations, and policies.

B. The Non-Federal Sponsor shall contribute 50 percent of the shared study costs in accordance with the provisions of this paragraph and provide required funds in accordance with Article III.

1. No later than 15 calendar days after the effective date of this Agreement, the Non-Federal Sponsor shall provide funds in the amount of $25,000, for the Government to initiate the Study, including preparation of the PMP. In the event more funds are needed to develop the PMP, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor, and no later than 15 calendar days after such notification, the Non-Federal Sponsor shall provide the full amount of such funds to the Government.

2. As soon as practicable after completion of the PMP, and after considering the estimated amount of credit for in-kind contributions, if any, that will be afforded in accordance with paragraph C. of this Article, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor to meet its share of shared study costs for the remainder of the initial fiscal year of the Study. No later than 15
calendar days after such notification, the Non-Federal Sponsor shall provide the full amount of such funds to the Government.

3. No later than August 1st prior to each subsequent fiscal year of the Study, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor during that fiscal year to meet its cost share. No later than September 1st prior to that fiscal year, the Non-Federal Sponsor shall provide the full amount of such required funds to the Government.

C. The Government shall include in shared study costs and credit towards the Non-Federal Sponsor’s share of such costs, the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsor incurs in providing or performing in-kind contributions, including associated supervision and administration. Such costs shall be subject to audit in accordance with Article VI to determine reasonableness, allocability, and allowability, and crediting shall be in accordance with the following procedures, requirements, and limitations:

1. As in-kind contributions are completed and no later than 60 calendar day after such completion, the Non-Federal Sponsor shall provide the Government appropriate documentation, including invoices and certification of specific payments to contractors, suppliers, and the Non-Federal Sponsor’s employees. Failure to provide such documentation in a timely manner may result in denial of credit. The amount of credit afforded for in-kind contributions shall not exceed the Non-Federal Sponsor’s share of shared study costs less the amount of funds provided pursuant to paragraph B.1. of this Article.

2. No credit shall be afforded for interest charges, or any adjustment to reflect changes in price levels between the time the in-kind contributions are completed and credit is afforded; for the value of in-kind contributions obtained at no cost to the Non-Federal Sponsor; for any items provided or performed prior to completion of the PMP; or for costs that exceed the Government’s estimate of the cost for such item if it had been performed by the Government.

D. To the extent practicable and in accordance with Federal laws, regulations, and policies, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on solicitations for contracts prior to the Government’s issuance of such solicitations; proposed contract modifications, including change orders; and contract claims prior to resolution thereof. Ultimately, the contents of solicitations, award of contracts, execution of contract modifications, and resolution of contract claims shall be exclusively within the control of the Government.

E. The Non-Federal Sponsor shall not use Federal Program funds to meet any of its obligations under this Agreement unless the Federal agency providing the funds verifies in writing that the funds are authorized to be used for the Study. Federal program funds are those funds provided by a Federal agency, plus any non-Federal contribution required as a matching share therefor.
F. Except as provided in paragraph C. of this Article, the Non-Federal Sponsor shall not be entitled to any credit or reimbursement for costs it incurs in performing its responsibilities under this Agreement.

G. In carrying out its obligations under this Agreement, the Non-Federal Sponsor shall comply with all the requirements of applicable Federal laws and implementing regulations, including, but not limited to: Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto; the Age Discrimination Act of 1975 (42 U.S.C. 6102); and the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Army Regulation 600-7 issued pursuant thereto.

H. If Independent External Peer Review (IEPR) is required for the Study, the Government shall conduct such review in accordance with Federal laws, regulations, and policies. The Government’s costs for an IEPR panel shall not be included in shared study costs or the maximum Federal study cost.

I. In addition to the ongoing, regular discussions of the parties in the delivery of the Study, the Government and the Non-Federal Sponsor may establish a Study Coordination Team to discuss significant issues or actions. The Government’s costs for participation on the Study Coordination Team shall not be included in shared study costs, but shall be included in calculating the maximum Federal study cost. The Non-Federal Sponsor’s costs for participation on the Study Coordination Team shall not be included in shared study costs and shall be paid solely by the Non-Federal Sponsor without reimbursement or credit by the Government.

ARTICLE III - PAYMENT OF FUNDS

A. As of the effective date of this Agreement, shared study costs are projected to be $______________, with the Government’s share of such costs projected to be $______________ and the Non-Federal Sponsor’s share of such costs projected to be $______________. These amounts are estimates only that are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

B. The Government shall provide the Non-Federal Sponsor with quarterly reports setting forth the estimated shared study costs and the Government’s and Non-Federal Sponsor’s estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsor funds, to date; the amount of funds provided by the Non-Federal Sponsor to date; the estimated amount of any creditable in-kind contributions; and the estimated remaining cost of the Study.

C. The Non-Federal Sponsor shall provide to the Government required funds by delivering a check payable to “FAO, USAED, [Insert District and EROC code, e.g., New Orleans (B2)]” to the District Commander, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by
providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

D. The Government shall draw from the funds provided by the Non-Federal Sponsor to cover the non-Federal share of shared study costs as those costs are incurred. If the Government determines at any time that additional funds are needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor’s required share of shared study costs, the Government shall provide the Non-Federal Sponsor with written notice of the amount of additional funds required. Within 60 calendar days of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional funds.

E. Upon completion of the Study and resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with the written results of such final accounting. Should the final accounting determine that additional funds are required from the Non-Federal Sponsor, the Non-Federal Sponsor, within 60 calendar days of written notice from the Government, shall provide the Government with the full amount of such additional funds. Should the final accounting determine that the Non-Federal Sponsor has provided funds in excess of its required amount, the Government shall refund the excess amount, subject to the availability of funds. Such final accounting does not limit the Non-Federal Sponsor's responsibility to pay its share of shared study costs, including contract claims or any other liability that may become known after the final accounting.

ARTICLE IV - TERMINATION OR SUSPENSION

A. Upon 30 calendar days written notice to the other party, either party may elect at any time, without penalty, to suspend or terminate the future performance of the Study. Furthermore, unless an extension is approved by the Assistant Secretary of the Army (Civil Works), the Study may be terminated if a Report of the Chief of Engineers, or, if applicable, a Report of the Director of Civil Works, is not signed for the Study within 3 years after the effective date of this Agreement.

B. In the event of termination, the parties shall conclude their activities relating to the Study. To provide for this eventuality, the Government may reserve a percentage of available funds as a contingency to pay the costs of termination, including any costs of resolution of contract claims, and resolution of contract modifications.

C. Any suspension or termination shall not relieve the parties of liability for any obligation incurred. Any delinquent payment owed by the Non-Federal Sponsor pursuant to this Agreement shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.
ARTICLE V - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VI - MAINTENANCE OF RECORDS AND AUDIT

A. The parties shall develop procedures for the maintenance by the Non-Federal Sponsor of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years after the final accounting. The Non-Federal Sponsor shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits of the Study. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government’s costs of audits for the Study shall not be included in shared study costs, but shall be included in calculating the maximum Federal study cost.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the Non-Federal Sponsor to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the request of the Non-Federal Sponsor, provide to the Non-Federal Sponsor or independent auditors any such information necessary to enable an audit of the Non-Federal Sponsor’s activities under this Agreement. The costs of non-Federal audits shall be paid solely by the Non-Federal Sponsor without reimbursement or credit by the Government.

ARTICLE VII - RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other. Neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.
ARTICLE VIII - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by certified mail, with return receipt, as follows:

If to the Non-Federal Sponsor:
[Insert Title and Address of Sponsor representative to receive notices]

If to the Government:
[Insert Title and Address of Government representative to receive notices]

B. A party may change the recipient or address for such communications by giving written notice to the other party in the manner provided in this Article.

ARTICLE IX - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE X - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not a party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

[INSERT FULL NAME OF SPONSOR]

BY: __________________________  BY: __________________________
[INSERT TYPED NAME]  [INSERT TYPED NAME]
[Insert Colonel, U.S. Army or Lieutenant Colonel, U.S. Army, as applicable]
District Commander

DATE: _________________________  DATE: ________________________
Option 1: Sponsor is a Non-Profit Entity that has the consent of the Local Government. In accordance with ASA(CW) Memorandum, dated April 5, 2012, Subject: Implementation Guidance for Section 2003(b) of the Water Resources Development Act of 2007 – Definition of Non-Federal Interest, confirm eligibility of the non-profit entity to serve as the Non-Federal Sponsor and whether a legally constituted public body must also be a Non-Federal Sponsor on the Agreement. This memorandum can be found on the Corps’ “Project Partnership Agreements” website under the “Guidance” tab.

Use the Certificate of Authority for a Non-Profit Entity as provided on the Corps’ PPA website under the “Forms” tab.

Insert the following two WHEREAS clauses after the first WHEREAS clause in the FCSA:

“WHEREAS, the [FULL NAME OF NON-PROFIT ENTITY] is an organization that is incorporated under the applicable laws of the [Insert State of Name of State] or Commonwealth of [Name of Commonwealth] as a non-profit organization, exempt from paying Federal income taxes under Section 501 of the Internal Revenue Code (26 U.S.C. 501);

WHEREAS, by letter dated [Month Day, Year], the [FULL NAME OF AFFECTED LOCAL GOVERNMENT], the affected local government has consented to the [FULL NAME OF NON-PROFIT ENTITY], serving as a Non-Federal Sponsor for the Study;”
Option 2: Not An Obligation of Future Appropriations. Section 221(a) of the Flood Control Act of 1970, as amended (42 U.S.C. 1962d-5b), provides that an agreement may reflect that it does not obligate future appropriations when doing so is inconsistent with constitutional or statutory limitations of a State or political subdivision thereof. However, section 221(a) does NOT provide that the Non-Federal Sponsor’s performance and payments are subject to appropriations of funds. The Government retains the right to exercise any legal rights it has to protect the Government’s interests. If applicable and requested by the Non-Federal Sponsor, insert into the FCSA as the last Article the following:

“ARTICLE XI - OBLIGATIONS OF FUTURE APPROPRIATIONS

The Non-Federal Sponsor intends to fulfill fully its obligations under this Agreement. Nothing herein shall constitute, nor be deemed to constitute, an obligation of future appropriations by the [Insert name of the legislative body that makes the appropriations, e.g., legislature of the State of New York or the New York City Council], where creating such an obligation would be inconsistent with [Insert the specific citation to the constitutional or statutory limitation on committing future appropriations].”
**Option 3: Multiple Non-Federal Sponsors.** It is strongly preferred that there is one party only as the Non-Federal Sponsor for the FCSA. Nonetheless, it is permissible to have more than one Non-Federal Sponsor if the Non-Federal Sponsors are jointly and severally responsible for all non-Federal obligations and responsibilities under the FCSA. (Any proposal to allow for a division of responsibilities will require Headquarters approval and should be coordinated with the full vertical team in advance of submission of the draft FCSA for review and approval.) The FCSA should be modified to use the term “Non-Federal Sponsors” throughout along with the necessary modifications to change, as appropriate, verbs and pronouns from singular to plural. In addition, insert into the FCSA as the last Article the following:

“**ARTICLE XI – JOINT AND SEVERAL RESPONSIBILITY OF THE NON-FEDERAL SPONSORS**

The obligations and responsibilities of the Non-Federal Sponsors shall be joint and several, such that each Non-Federal Sponsor shall be liable for the whole performance of the obligations and responsibilities of the Non-Federal Sponsors under the terms and provisions of this Agreement. The Government may demand the whole performance of said obligations and responsibilities from any of the entities designated herein as one of the Non-Federal Sponsors.”
Option 4: Study in American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, or Puerto Rico, or involving an Indian Tribe (as defined in section 102 of the Federal Recognized Indian Tribe List Act of 1994, 25 U.S.C. 5130). In accordance with Section 1156 of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2310), up to $455,000 in non-Federal cost sharing is waived. The following changes to the FCSA should be made:

1. Replace the last sentence in Article I.B. with the following:

   “The term does not include any costs for dispute resolution; participation in the Study Coordination Team; audits; an Independent External Peer Review panel, if required; or for negotiating this Agreement. It also does not include any costs funded at full Federal expense based on the waiver of non-Federal cost sharing in accordance with Article II.J.”

2. Replace Article II.B. in its entirety with the following:

   “B. The Non-Federal Sponsor shall contribute 50 percent of shared study costs in accordance with the provisions of this paragraph and provide required funds in accordance with Article III.

   1. As soon as practicable after completion of the PMP, and after considering the cost sharing waiver in accordance with Article II.J. and the estimated amount of credit for in-kind contributions, if any, that will be afforded in accordance with paragraph C. of this Article, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor for the remainder of the initial fiscal year of the Study. No later than 15 calendar days after such notification, the Non-Federal Sponsor shall provide the full amount of such funds to the Government.

   2. No later than August 1st prior to each subsequent fiscal year of the Study, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor during that fiscal year to meet its cost share. No later than September 1st prior to that fiscal year, the Non-Federal Sponsor shall provide the full amount of such required funds to the Government.”

3. Replace the last sentence in Article II.C.1. with the following:

   “The amount of credit afforded for in-kind contributions shall not exceed the Non-Federal Sponsor’s share of shared study costs.”

4. Add a new paragraph J. to Article II as follows:

   “J. Pursuant to Section 1156 of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2310), the Government shall waive up to $455,000 in non-Federal cost sharing of the Study. The amount of the waiver shall not be included in shared study costs, but shall be included in calculating the maximum Federal study cost.”
5. Replace Article III.B. in its entirety with the following:

“B. The Government shall provide the Non-Federal Sponsor with quarterly reports setting forth the estimated shared study costs and the Government’s and Non-Federal Sponsor’s estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsor funds, to date; the amount of funds provided by the Non-Federal Sponsor to date; the estimated amount of any creditable in-kind contributions; costs funded at full Federal expense based on the waiver of non-Federal cost sharing in accordance with Article II.J.; and the estimated remaining cost of the Study.”
Option 5: Project Management Plan prepared prior to execution of the FCSA. The following changes to the FCSA should be made:

1. In Article I.B., replace “preparing the PMP” with “updating the PMP”.

2. Replace Article II.B. in its entirety with the following:

   “B. The Non-Federal Sponsor shall contribute 50 percent of shared study costs in accordance with the provisions of this paragraph and provide required funds in accordance with Article III.

   1. After considering the estimated amount of credit for in-kind contributions, if any, that will be afforded in accordance with paragraph C. of this Article, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor for the remainder of the initial fiscal year of the Study. No later than 15 calendar days after such notification, the Non-Federal Sponsor shall provide the full amount of such funds to the Government.

   2. No later than August 1st prior to each subsequent fiscal year of the Study, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor during that fiscal year to meet its cost share. No later than September 1st prior to that fiscal year, the Non-Federal Sponsor shall provide the full amount of such required funds to the Government.

3. Replace the last sentence in Article II.C.1. with the following:

   “The amount of credit afforded for in-kind contributions shall not exceed the Non-Federal Sponsor’s share of shared study costs.”
**Option 6: Accelerated Funds.** Following written approval by HQUSACE to allow the acceptance of accelerated funds, the FCSA may include the following changes:

1. Insert the following WHEREAS clause before the next to last WHEREAS clause in the FCSA:

   "WHEREAS, the Non-Federal Sponsor proposes to accelerate its provision of funds (hereinafter "accelerated funds") for the immediate use by the Government for the Study;"

2. Add a new paragraph G. to Article I as follows:

   "G. The term "accelerated funds" means non-Federal funds out of proportion with Federal funds but within the ultimate non-Federal cash contribution."

3. Add new paragraph J. to Article II as follows.

   "J. In addition to providing the funds required by paragraph B. of this Article, the Non-Federal Sponsor may provide accelerated funds for immediate use of the Government. The Non-Federal Sponsor understands that use of accelerated funds shall not constitute any commitment by the Government to budget, or the Congress to appropriate, funds for this Study or to match any accelerated funds provided by the Non-Federal Sponsor; that any accelerated funds will be credited toward the Non-Federal Sponsor's cash share only to the extent matching Federal funds are provided; and that the Non-Federal Sponsor is not entitled to any repayment for any accelerated funds obligated by the Government even if the Study ultimately is not completed."
**Option 7: Contributed Funds, following Committee notification.** The cost of work funded with Contributed Funds is included in shared study costs subject to cost sharing. Contributed Funds are applied toward the Federal cost share.

Guidance on Contributed Funds is provided in CECW-P Memorandum, dated February 11, 2015, Subject: Implementation Guidance for Sections 1015 and 1023 of the Water Resources Reform and Development Act of 2014 (WRRDA 2014), Contributed Funds. This memorandum can be found on the Corps’ “Project Partnership Agreements” website under the “Guidance” tab.

Following completion of the Committee notification process, the FCSA may include the following changes:

1. Insert the following WHEREAS clause before the next to last WHEREAS clause in the FCSA:

   “WHEREAS, in addition to providing the required non-Federal cost share, the Non-Federal Sponsor considers it to be in its own interest to contribute funds voluntarily (hereinafter the “Contributed Funds”) to be used by the Government for the Study, as authorized pursuant to 33 U.S.C. 701h;”

2. Add as the third sentence in Article I.B. the following:

   “The term also includes the cost of work funded with Contributed Funds.”

3. Add a new paragraph G. to Article I as follows:

   “G. The term “Contributed Funds” means those funds above any statutorily required non-Federal cost share that are provided voluntarily by the Non-Federal Sponsor for funding the Study, with no credit or repayment authorized for such funds.”

4. Add a new paragraph J. to Article II as follows:

   “J. In addition to providing the funds required pursuant to paragraph B. of this Article, the Non-Federal Sponsor will be providing Contributed Funds currently estimated at $__________, for the Study. The Non-Federal Sponsor shall make the full amount of such funds available to the Government by delivering a check payable to “FAO, USAED, [Insert District and EROC code, e.g., New Orleans (B2)]” to the District Commander, or by providing an Electronic Funds Transfer of such funds in accordance with procedures established by the Government. No credit or repayment is authorized, nor shall be provided, for any Contributed Funds provided by the Non-Federal Sponsor that are obligated by the Government. In addition, acceptance and use of Contributed Funds shall not constitute, represent, or imply any commitment to budget or appropriate funds for the Study in the future.”

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**Authorization:** The study will be conducted under the authority provided by a resolution from the Senate Committee on Transportation and Infrastructure dated 11 March 1998, which reads: Resolved by the Committee on Transportation and Infrastructure of the United States House of Representatives, That, the Secretary of the Army is requested to review the report of the Chief of Engineers on the Guadalupe and San Antonio Rivers, Texas, published as House Document 344, 83rd Congress, 2nd Session, and other pertinent reports, with a view to determining whether any modifications to the recommendations contained therein area advisable at the present time, with particular reference to providing improvements in the interest of flood control and allied purposes on the Guadalupe and San Antonio Rivers in Texas."

**Sponsors and Letter of Intent (LOI):** San Antonio Water System
Most recent Letter of Intent was received from San Antonio Water System dated April 22, 2016.

**Project Location Description (see Map):**

The study area is located in San Antonio, Texas. It is just north of the confluence of the Medina River and Leon Creek (both tributaries of the San Antonio River). The area is a natural drainage between the Balcones Fault zone to the north and the Luling fault zone to the south. Historically, the area was marshy year round and in the wet season it turned into a lake. In 1901, a dam was constructed creating the now 600 acre 3 mile long Mitchell Lake. The Mitchell Lake wetland complex includes the lake and another 215 acres of ponds and marshes. There are also 385 acres of connected upland habitats within the 1200 acre complex that is owned and managed by the San Antonio Water System. The site has been a migratory bird hotspot since the original natural formation of the marsh, wetland, and seasonal lake. Located 120 miles from the nearest saltwater flats of the Gulf Coast, Mitchell Lake is one of the very few places in the area where migrating shorebirds and waders can rest and feed. In addition to the large number of resident and nesting birds, tens of thousands of birds converge onto the site's lake, ponds, and marshes each spring and fall. Pelicans, egrets, ducks, herons, sand pipers, hawks, plovers, and the federally listed yellow billed Cuckoo are just some of the 338 species of migratory waterfowl and Neotropical migrant bird species that have been documented at the lake – all protected under the Migratory Bird Treaty Act. Through an agreement with the San Antonio Water System, the first Audubon Center in Texas was established on the Mitchell Lake site. The San Antonio area is a unique location. Both from a multi-national and regional perspective, the area that includes Mitchell Lake is recognized as being at the convergence of three ecoregions; on a conceptual transition zone between arid and mesic, as well as, tropical and temperate climates. Due to this unique location, Mitchell Lake is an area of very high biodiversity. The opportunity of the region is to serve as a last stop for fall migration or first stop for spring migration in providing ecological diversity to accommodate the riverine stop-over habitat needs to a wide range of migratory bird species utilizing the North American Central Flyway.
Problems and Opportunities: Broadly, the problem is the loss of both habitat structure and function. Mitchell Lake has been a workhorse of both the wildlife and human communities since before the time of the first European explorers in the area, providing a wide range of ecological goods and services, not the least of which was sustenance for humans, livestock, and wildlife. Extensive use of Mitchell Lake as a 20th century wastewater facility, beginning with the construction of the dam in 1901, has created current conditions that no longer support the diversity of aquatic species and wildlife described by the 19th century naturalists, now a roadmap to restoration. Where there once existed an ecologically rich freshwater forested wetland, there is now a larger open water site surrounded by herbaceous vegetation and invasive riparian species. Though the lake no longer serves a waste water function, the degradation from that function are still evident. The waters of Mitchell Lake are highly eutrophic causing unstable dissolved oxygen and pH levels, and therefore the current conditions no longer support the biodiversity of the historic wetland vegetation community or other aquatic life. Despite degraded conditions and ecological losses, the high quality opportunity of the ecosystem is evident as the area currently remains able to provide services to over 338 migratory bird species – 30 species on the Audubon Watch List; and 129 species considered to be directly threatened by habitat loss and climate change.

The study would investigate solutions to the ecological problems of the Mitchell Lake wetland complex to restore to the extent practicable, the historic forested wetland system and the high biological diversity such a system can support so that the Mitchell Lake wetland complex cannot only continue to provide the ecological goods and services it now provides, but such that the site can increase the quality and quantity of those services closer to the historical accounts of the site’s abilities. Potential measures of restoration could include, but are not limited to, removal of invasive species, reforestation, wetland plantings, water level control, and inflow and outflow water polishing. The study would include investigation into methods of “working with nature” to restore lost/degraded ecological function while also assisting in reducing the eutrophic conditions of the lake’s water.

Budget Criteria:

Habitat Scarcity: As described above, the wetland complex of Mitchell Lake is locationally unique, and one of the last opportunities for such ecological benefits for migratory birds prior to reaching the coastal plains, which offer different ecological benefits. The national trend in bottomland hardwood losses are well documented, but for the South Texas area, this true forested wetland ecosystem is historically rare and unique. Score: 25

Connectivity: The Mitchell Lake wetland complex is situated in the San Antonio River watershed, and it is approximately 3.5 miles from the downstream terminus of the eight mile San Antonio River Mission Reach ecosystem restoration project. The Mission Reach project while still in its ecological infancy, is already seeing a large increase in usage by migratory waterfowl and Neotropical migrants. For migratory birds utilizing the Central Flyway, Mitchell Lake and the surrounding ecologically functional waterways of the area are a critical connection for sustaining the birds resting and foraging needs near the end of their long southern migration or as they complete their long journey across the Gulf during their northern migration. Score: 25

Special Status Species: Along with state and federally listed threatened and endangered bird species, numerous birds utilizing the Mitchell Lake site are on lists of concern for conservation management. The sheer numbers of these migratory birds utilizing the site during the migratory season is an indication of the important contribution of life requisites the site provides to these species. Score: 5

Hydrologic Characteristic: There is a possibility that during the detailed existing condition assessment of the study that hydrologic conditions could be identified for restoration. In particular, the storm-water inflows and outflows, and how those perform within the lake, ponds, and marshes. But, at this level of evaluation, there is not a clear hydrologic impairment for the site. Score: 15
Geomorphic Characteristic: There are no obvious geomorphic impairments at the site. **Score: 10**

Self-Sustaining: not applicable to study phase

Plan Recognition: The Mitchell Lake is listed in National Audubon’s Central Flyway plan as a part of their National Audubon Strategic Plan. The area is also included in the San Antonio River Authority’s Medina River Holistic Watershed Master Plan. **Score: 5**

Budget Criteria Summary: The Mitchell Lake wetland complex is located in a unique location, and it is a rare habitat feature within that location, and therefore also rare when set in the national context of the Central Flyway. The migratory bird Central Flyway spans the central portion of the U.S.; therefore, tens of thousands of acres of habitat are important to the successful migration, but the habitats, especially the aquatic related habitats, of the South Central Texas, San Antonio ecoregion are of particular importance to the success of both the northern and southern migrations. The region provides a critical role in connecting the Gulf Coastal Plains with the riverine systems of North America in the successful completion of migration by hundreds of thousands of migratory waterfowl and Neotropical migratory birds. All birds utilizing the flyways of the U.S. are protected under the Migratory Bird Treaty Act, and numerous species that specifically utilize the Mitchell Lake site are on USFWS lists of concern as well as several USFWS T&E species. Mitchell Lake plays a critical role in providing resting and refueling opportunities for the successful migration of these species. And that importance is validated by the role the site plays as a component of the National Audubon’s Central Flyway Strategic Plan.

Regionally Significant: Regionally, the Mitchell Lake site has significance beyond the pure ecological benefits it provides to wildlife. The Audubon Nature Center at Mitchell Lake hosts over 3,300 school-aged kids each year; over 87% of these are disadvantage. Approximately, 9,000 visitors come to the area every year, and 10% of all visitors are from out of state or international. The ecological goods and services of Mitchell Lake have been long understood and appreciated; historically, the site was designated as a farm component of the Spanish Colonial Mission Espada – one of five missions in San Antonio that along with the San Antonio River have recently been named a World Heritage site. **Total Score: 78**

Nationally Significant: The North American Central Flyway passes through 10 other U.S. states before funneling 80-90% of the migratory population to the state of Texas, and ultimately through south Central Texas. The San Antonio region, and subsequently Mitchell Lake, are uniquely situated along the flyway to receive a high diversity of migratory birds, and the area is uniquely situated at the intersection of three ecoregions allowing for a large bio-diversity of habitats from which to provide the requisite migratory needs of these high species numbers. As evidence of the unique situation that occurs in the region from the intersection of these ecoregions, is the presence of the Mitchell Lake forested wetland complex. This type of wetland complex is unique to the region, and the outputs it provides are therefore unique to the region, and the region serves a national function to the Central Flyway. **Total Score: 78**

Relationship to Corps or Projects Funded by Other Agencies: Mitchell Lake is within the San Antonio River Basin. The San Antonio Channel Improvement Project is a completed flood risk management project along 35 miles of the San Antonio River. The San Antonio River Mission Reach is an implemented project that added aquatic ecosystem restoration as a project purpose to the previously constructed flood risk management project. Additionally, a study has been completed for aquatic ecosystem restoration along four tributary creeks of the river that are components of the original FRM project. The San Antonio River Basin within Bexar County is one of 19 designated locations within the EPA’s Urban Waters Federal Partnership locations.