AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
December 4, 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 Joint Special Meeting of the San Antonio Water System Board of Trustees and CPS Energy Board of Trustees of October 9, 2018.
   B. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of October 9, 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 – 32

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 Freeit Data Solutions to provide: Nimble Storage Array for data storage management (DIR-TSO-4160), Bid No. 18-18126, for a total of $138,186.52.

2. Approving a one-time purchase from Grande Truck Center to provide: one each 66,000 GVWR cab and chassis with installed 8-cubic yard on-site cement mixer (single cab); two each 66,000 GVWR cab-chassis with installed 20-ton truck mounted hydraulic crane (single cab), Bid No. 18-18134, Items A & B, for a total of $832,502.00.

3. Approving a one-time purchase from Santex Truck Centers, Ltd. to provide: one each 5-cubic yard, flameless asphalt repair/patch machine mounted on a 35,000 GVWR, extended cab, cab-chassis, to include a roller and spoil bins, Bid No. 18-18134, Item C, for a total of $183,000.00.

4. Approving a one-time purchase from Red McCombs Ford to provide: nineteen each 11,000 GVWR (minimum) two-wheel drive, extended cab truck with installed service body; two each 11,000 GVWR (minimum) single rear wheel, 4x2 regular cab truck with installed service body; six each 19,000 GVWR (minimum) 4x2 regular cab, cab-chassis with installed reinforced utility body and a 6,000 lb. corner mounted crane; one each 19,000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 18' platform body with stake pockets; one each 14,000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 10' platform body with stake pockets and 2,000 lb. power lift gate, Bid No. 18-18138, Items A, B, C, D & G, for a total of $1,641,039.10.

5. Approving a one-time purchase from Grande Truck Centers to provide: seven each 25,000 GVWR cab-chassis, 4-door, crew-cab, 84" CA truck with installed aluminum utility body and 2,000 lb. crane, Bid No. 18-18138, for a total of $950,369.00.

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. Authorizing the extension of an existing contract with BFI Waste Systems of North America, LLC to provide: landfilling of biosolids, Bid No. 17-0791, for a total of $500,000.00.

2. Acceptance of the bid of HD Supply White Cap to provide: biennial contract for Portland cement, ready mix (Quickrete) and asphalt cold patch bags, Bid No. 18-0023, for a total of $320,824.00.

3. Acceptance of the sole source bid of Saba Software (Canada), Inc. to provide: annual contract for SABA software maintenance and support, Bid No. 19-18052, for a total of $151,758.11.

4. Acceptance of the best value bid of Forcepoint, LLC dba Internet Content Management, Inc. to provide: annual contract for Data Loss Prevention Solution, Bid No. 18-18005, for a total of $124,910.00.

5. Acceptance of the bid of Safety Supply, Inc. to provide: annual contract for isotonic flavored drinks, Bid No. 18-6000, for a total of $104,141.70.

6. Acceptance of the bid of AVL Elevator dba Oracle Elevator Co. to provide: annual contract for elevator maintenance for SAWS Locations, Bid No. 18-2037, for a total of $148,360.00.

7. Acceptance of the best value bid of GC3 Specialty Chemicals, Inc. to provide: annual contract for water treatment chemicals, Bid No. 18-6014A, for a total of $100,197.60.

8. Acceptance of the bid of Alan Plummer Associates, Inc. to provide: annual contract for Industrial, Commercial and Institutional (ICI) water conservation audits, Bid No. 18-14128, for a total of $200,000.00.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Water and Sewer Line Improvements

7. A Resolution awarding a construction contract to Pronto Sandblasting & Coating & Oilfield Services Co., Inc. in an amount not to exceed $1,739,211.00 in connection with the 2018 Manhole to Manhole Relay Package 1 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

8. A Resolution awarding a construction contract to Cruz Tec, Inc. in an amount not to exceed $1,640,880.97 in connection with the Multiple Sewershed Package 8 - CIPP Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)
9. A Resolution approving Change Order No. 2 in an amount not to exceed $157,414.56 to the construction contract with SAK Construction, LLC in connection with the Eastern Sewershed Package IV Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

10. A Resolution awarding a professional services contract to Garver, LLC in an amount not to exceed $907,449.00 in connection with the BPC Central Small Diameter Package 1 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

11. A Resolution awarding a professional services contract to Bain Medina Bain, Inc. in an amount not to exceed $261,164.00 in connection with the BPC Central Small Diameter Package 2 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

12. A Resolution awarding a professional services contract to K Friese & Associates, Inc. in an amount not to exceed $1,171,742.00 in connection with the BPC Central Large Diameter Package 1 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

13. A Resolution awarding a professional services contract to Cobb Fendley & Associates, Inc. in an amount not to exceed $397,991.00 in connection with the BPC East/West Small Diameter Package 1 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

14. A Resolution awarding a professional services contract to Lockwood Andrews & Newnam, Inc. in an amount not to exceed $361,189.00 in connection with the Multiple Sewershed Package 12 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Production, Transmission and Treatment Improvements

15. A Resolution awarding a professional services contract to Black & Veatch Corporation in an amount not to exceed $1,299,463.00 in connection with the Artesia Pump Station Improvements Project. (ANDREA BEYMER – MICHAEL MYERS)

EASEMENT AND REAL PROPERTY

16. A Resolution approving a lease agreement with West Vista Holdings, LP in an amount not to exceed $277,456.27 for a term of 60 months for approximately 6,995 square feet of warehouse storage space located at 4745 Center Park Blvd., San Antonio, Texas. (NANCY BELINSKY – BRUCE HABY)

17. A Resolution authorizing settlement of litigation and expenditures in the amount of $7,000.00 in litigation between the System and John J. Toomey, individually and as trustee of the Toomey By-Pass Trust and Toomey-Guseman Family, LP in connection with the acquisition of a temporary construction easement containing approximately 0.208 of an acre for the E-19: Seguin Road to Nacogdoches Road – Segment 2; authorizing the System's legal counsel to take all necessary action to conclude the litigation. (NANCY BELINSKY – BRUCE HABY)
MISCELLANEOUS ITEMS

18. A Resolution approving the recommendation of USI Insurance Services National, Inc. in an amount not to exceed $1,109,967.00 for the period ending December 31, 2019, in connection with the comprehensive commercial insurance program. (SHARON DE LA GARZA)

19. A Resolution awarding a services contract to various temporary employment agencies in an amount not to exceed $2,053,100.00 for the period of January 1, 2019 through December 31, 2022, with two successive one-year extensions in connection with temporary employment services. (SHARON DE LA GARZA)

20. A Resolution awarding a services contract to various temporary employment agencies in an amount not to exceed $2,500,000.00 for the period of January 1, 2019 through December 31, 2022, with two successive one-year extensions in connection with temporary employment services for Information Systems related positions. (SREE PULAPAKA)

21. A Resolution prescribing authority to sign for withdrawals from depository fund accounts, prescribing authority for withdrawals of documents from safekeeping, and appointing representatives with full authority to execute collateral transactions in accordance with contracts for general depository services and investment services as approved by actions of the Board of Trustees; and that all prior instructions and resolutions with respect to the foregoing signatories be and are hereby rescinded. (DOUG EVANSON)

22. A Resolution adopting revisions to the Investment Policy of the San Antonio Water System pursuant to the guidelines established in the City of San Antonio’s Ordinance No. 75686 and the Public Funds Investment Act. (DOUG EVANSON)

23. A Resolution approving an Interlocal Agreement with the City of Converse for billing services. (MARY BAILEY – EYENEMI DICKSON HOGUE)

24. A Resolution approving an Interlocal Agreement with the City of Balcones Heights for billing services. (MARY BAILEY – EYENEMI DICKSON HOGUE)

25. A Resolution approving an Interlocal Agreement with the City of Olmos Park for billing services. (MARY BAILEY – EYENEMI DICKSON HOGUE)

26. A Resolution awarding a construction contract to Jerdon Enterprise, LP in an amount not to exceed $1,069,069.00 in connection with the Mitchell Lake Constructed Wetland Phase 1 Project. (DONOVAN BURTON – GREGG ECKHARDT)

27. A Resolution approving a Joint Funding Agreement with the United States Geological Survey in an amount not to exceed $95,000.00 for the period ending December 31, 2019, in connection with measuring inputs and outputs of the Medina Surface Water and Groundwater System. (DONOVAN BURTON – DARREN THOMPSON)
28. A Resolution approving additional funds in an amount not to exceed $250,000.00 to Guadalupe Valley Electric Cooperative in connection with the construction of electrical service for the Vista Ridge Regional Supply Project Intermediate Pump Station 2 Facilities. (DONOVAN BURTON – MARTY JONES)

29. A Resolution approving the extension of a services contract with Aramark Services, Inc. in an amount not to exceed $133,126.00 for the period of January 1, 2019 through December 31, 2019, in connection with cafeteria, vending, and related services. (JEFF HABY – CARLOS MENDOZA)

30. A Resolution awarding a services contract to The Deberry Group, LLC in an amount not to exceed $350,000.00 for the period of January 1, 2019 through December 31, 2020, with a one-year extension options in connection with creative development and marketing services. (GAVINO RAMOS)

31. A Resolution approving a Full and Final Compromise and Settlement Agreement with Zachry Parsons Water Resources Joint Venture in connection with claims arising out of a Construction Management at Risk Agreement for the System’s Brackish Groundwater Desalination Program; authorizing the System to accept the sum of $300,000.00 pursuant to the terms of the agreement. (NANCY BELINSKY – STEVE CLOUSE)

32. A Resolution approving an Engagement Letter with Ruben Barrera of the Law Firm of Langley & Banack, Inc. in an amount not to exceed $73,100.00 to act as Special Counsel to the Board of Trustees for calendar year 2019. (BERTO GUERRA, JR., CHAIRMAN, BOARD OF TRUSTEES)

ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

33. 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)
34. A Resolution awarding a construction contract to D Guerra Construction, LLC in an amount not to exceed $5,533,517.84 in connection with the Westlakes Off-Site Water Main Extension – Segment B Project; approving a contract between the System, D Guerra Construction, LLC and Pulte Homes of Texas, LP for the project work; authorizing the expenditure of funds in the amount of $4,048,246.53 for the System’s proportionate share of the project work payable to D Guerra Construction, LLC and the expenditure of funds in the amount of $404,824.65 for the System’s proportionate share of the engineering design fees payable to Pulte Homes of Texas, LP. (ANDREA BEYMER – TRACEY LEHMANN)

Water and Sewer Line Improvements

35. A Resolution awarding a construction contract to SAK Construction, LLC in an amount not to exceed $5,730,181.00 in connection with the Multiple Sewershed Package 5 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

36. A Resolution awarding a construction contract to S.J. Louis Construction of Texas, Ltd. in an amount not to exceed $21,023,894.01 in connection with the Martinez Creek: Perez St to W. Huisache Ave Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Production, Transmission and Treatment Improvements

37. A Resolution awarding a construction contract to Associated Construction Partners, Ltd. in an amount not to exceed $4,922,893.00 in connection with the Medio Creek WRC Filter and UV System Improvements Project. (ANDREA BEYMER – MICHAEL MYERS)

38. A Resolution awarding a construction contract to Landmark Structures I, LP in an amount not to exceed $5,625,000.00 in connection with the Southwest Loop 410 Elevated Storage Tank Project. (ANDREA BEYMER – MICHAEL MYERS)

39. A Resolution awarding a construction contract to Archer Western Construction in an amount not to exceed $16,047,000.00 in connection with the Wurzbach Pump Station Improvements Project. (ANDREA BEYMER – MICHAEL MYERS)
MISCELLANEOUS ITEMS

40. A Resolution awarding a construction contract to Pesado Construction Company in an amount not to exceed $5,367,434.74 in connection with the Central Water Integration Pipeline Segment 5-4 Project. (ANDREA BEYMER – ALISSA LOCKETT)

41. A Resolution ratifying the actions of the Sr. Vice President/Chief Operating Officer in approving the award of a construction contract to SAK Construction, LLC in an amount not to exceed $2,639,330.00 in connection with the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

42. A Resolution approving a Commercial Custom Rebate Agreement with Bottling Group, LLC dba Pepsi Beverages in an amount not to exceed $155,415.00 in connection with water efficiency improvements within the San Antonio Pepsi beverages production facility. (GAVINO RAMOS – KAREN GUZ)

43. A Resolution recommending and requesting that the San Antonio City Council take certain actions with respect to the issuance and sale of obligations designated as “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2019A”. (DOUG EVANSON)

44. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Vista Ridge Project
   B. Briefing and deliberation regarding the 2019 State Legislative Agenda

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

46. The Regular Session of the December 4, 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.

47. EXECUTIVE SESSION.

   B. Consultation with attorneys regarding legal matters related to Renda/Southland, JV., et. al. vs San Antonio Water System, et. al., Cause No. 2018 CI 18329 in the District Court for the 150th Judicial District of Bexar County, Texas related to the Central Water Integration Pipeline Segment 5-1 Project pursuant to §551.071, Texas Government Code.
C. Consultation with attorneys regarding advice on legal matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, pursuant to §551.071, Texas Government Code.

48. The Regular Session of the Regular Board Meeting of December 4, 2018, is hereby reconvened.

49. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF DECEMBER 4, 2018, IS HEREBY ADJOURNED.
MINUTES

JOINT SPECIAL MEETING
SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES
AND CPS ENERGY BOARD OF TRUSTEES

October 9, 2018, 9:00 A.M.
SAWS Administrative Offices
Tower II, Customer Service Building
1st Floor, Multi-Purpose Room #145
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

(A quorum of the Members of both Boards may attend a breakfast beginning at 8:15 a.m. in Room #154, Tower II. No SAWS or CPS Energy business will be discussed and no action will be taken on any such business during this breakfast.)

SAWS Board Members Present:  CPS Energy Board Members Present:
Berto Guerra, Jr., Chairman  John Steen, Chairman
Ron Nirenberg, Mayor  Ron Nirenberg, Mayor
Pat Jasso, Vice Chair  Edward Kelley, Trustee
Pat Merritt, Assistant Secretary  Dr. Willis Mackey, Trustee
David P. McGee, Trustee  
Eduardo Parra, Trustee

SAWS Board Members Absent:  CPS Energy Board Members Absent:
Amy Hardberger, Secretary  Dr. Homer Guevara, Jr., Trustee

1. Joint Call to Order
   A. Berto Guerra, Jr., Chairman, SAWS
   B. John Steen, Chairman, CPS Energy

The Joint Meeting of the San Antonio Water System Board of Trustees and CPS Energy Board of Trustees was held on October 9, 2018, and called to order at 9:00 a.m. by Chairman Berto Guerra and Chairman John Steen.

Chairman Steen recognized Councilman John Courage and thanked him for his attendance and interest in the work of both CPS Energy and SAWS.

2. Mayor's Opening Remarks
   A. The Honorable Ron Nirenberg, Mayor of the City of San Antonio

Mayor Nirenberg commented on the unique opportunity of serving on both boards and seeing the great things that each organization was pursuing for San Antonio. This was an important meeting and the first time in recent memory. San Antonio was blessed to have the largest municipal electrical utility in the nation as well as the largest water utility in the nation. He discussed the nexus between
power and water. SAWS had a need of energy to clean, disinfect, and pump water, and CPS Energy had a need of water to generate electricity. The recent report by the Environmental Defense Fund stated this fact as well as the potential for doing great things as a community. He stated today’s meeting would be to learn about new opportunities for collaboration between CPS Energy and SAWS. On behalf of the City Council and the one-and-a-half million residents, he asked everyone to embrace these and future opportunities that benefit not only the utilities but all of the citizens of San Antonio.

3. Chairmen's Opening Remarks

A. Berto Guerra, Jr., Chairman, SAWS

Chairman Guerra thanked the Mayor for bringing the two city-owned utilities together. On behalf of SAWS, he welcomed everyone to the San Antonio Water System. For just the second time since SAWS was created in 1992, a joint board meeting was held between CPS Energy and the San Antonio Water System. Both utilities were national leaders. CPS Energy was a recognized trailblazer in developing its renewable energy portfolio. SAWS was a model of water conservation in one of the nation’s fastest growing communities. As a business owner who once looked at San Antonio from afar, he could not overstate how important these two well run utilities were to the city’s vibrant economy. San Antonio had only recently gone from a city perceived to have a lack of water to one that would now have abundant sources of water far into the future. San Antonio had been a city with only one water source that was prone to drought reductions, and today there were eight distinct sources of water with the ninth source, the Vista Ridge Project, coming online in 2020. SAWS was now a model of water innovation and security that included some key partnerships with CPS Energy. Rather than using precious Edwards Aquifer water to cool its power plants, CPS Energy had long used reclaimed wastewater from SAWS. In 2012, SAWS teamed up with CPS Energy to create a 19.8 megawatt solar complex at the Dos Rios Water Recycling Center. Today would start the discussion about potentially doing even more solar at SAWS state-of-the-art Brackish Desalination Plant in southern Bexar County. He stated he was so proud to have served as the chairman during one of the most transformative periods in SAWS history, and we were not done yet. He thanked Chairman Steen for his service to the community.

B. John Steen, Chairman, CPS Energy

Chairman Steen thanked Chairman Guerra for hosting and welcoming everyone to SAWS. He introduced the CPS Energy Board of Trustees, Dr. Willis Mackey, Ed Kelley, the Mayor, of course, and Dr. Homer Guevara, who was teaching class and not able to attend. He looked forward to discussing areas of mutual concern and collaboration.

4. Briefing Items


Robert Puente reviewed the Environmental Defense Fund Report that detailed the work between SAWS and CPS Energy. SAWS partnered with CPS Energy on the recycled water system for use at the power plants. Recycled water was an essential part of the local economy, and supplied other major employers like Toyota and Microsoft. Recycled water had an impact on the entire region, and included environmental flows in the San Antonio River that went all the way to the coast to the
benefit of those local communities. Other great examples were the conservation rebate programs, and the solar and biogas programs at the Dos Rios Water Recycling Center. These were covered under a part of the report titled “Lessons for other utilities.” Mr. Puente stated he was most proud of staff’s collaborative efforts and long-term vision to the progress between the utilities. The staff of each utility had worked tirelessly for opportunities to improve the outcome for the residents. He cited the report, “Nevertheless, San Antonio embodies the best practices that could be adopted by many other cities’ unique energy-water challenges.” He pointed out the business model that was to convince customers to buy less of our product and that was something that really worked at SAWS. SAWS and CPS Energy worked jointly to make sure water conservation and energy conservation were part of our effort, and would continue to look for ways to collaborate together.

Paula Gold-Williams commented on the work since the original meeting several years ago. Meetings included management team to management team where staff talked not only as two utilities serving the community, but had also invited businesses to explore the opportunity of public/private partnerships to help collaborate. CPS Energy had the chance through Mr. Clouse and his team to get a sense of inner workings at SAWS. CPS Energy staff continued to look forward to those meetings to think about real projects in the future. Ms. Gold-Williams stated that she and her leadership team would present one of the potential partnerships regarding grid optimization that had the ability to leverage dollars in terms of going from analog to digital technology. She discussed other examples where the utilities had partnered that included the Mayor’s Utility Task Force to support business and economic development, and quarterly environmental meetings with the community to discuss collaborative opportunities. One of the best opportunities was around Smart Cities, and would be a huge competitive advantage for San Antonio because of the fact that both the municipal power and water were connected with long-term relationships with the City of San Antonio. Because the utilities had a working relationship where staff could go through specific issues, topics, and think about them in the short, medium, and long-term was a unique opportunity in San Antonio. Another unique aspect was that both entities were treated as businesses owned by the community, and decisions and connections were made with all of the remaining entities, like the river authority and VIA. All of these things were possible working with our community and working with our city leadership. Mr. Puente added that was symbolic, but was reflective of the fact that San Antonio had a special connected community and to be able to do many things that other communities could not usually do.

Chairman Guerra thanked Ms. Gold-Williams and Mr. Puente for their reports and for their involvement in bringing the teams together. He recognized City Councilman Manny Pelaez and former Councilman Robert Marbut and his students, who were in attendance.

Chairman Steen inquired about the most promising area for future collaboration between the utilities. Mr. Puente replied there were probably 10 or 15 different items that were currently being worked on such as the Smart City Program and an AMI project. Mr. Clouse stated that aside from AMI that would be discussed in more detail, a potential solar facility at SAWS desal facility was probably the next largest item with tremendous benefits and long-term opportunities.

Ms. Gold-Williams added that CPS Energy had just completed the implementation of the Smart Grid and had converted all of the meters on the electric and gas side to digital technology. The network system was the foundation to connect water meters, smart lighting, environmental sensors, additional sensors for businesses to track activity, and then, ultimately for the community to use technology differently to accumulate information across all the agencies. The foundation had the ability for the utilities to work together and create a springboard for San Antonio to have a more
enabled community.

B. Discussion regarding successful partnerships between SAWS and CPS Energy and potential initiatives. (Robert R. Puente – Steve Clouse)

Steve Clouse discussed some of the historical things done with gas to energy projects, recycled water, and solar power. He pointed out the significance of recycled water. SAWS contract with CPS Energy for the use of recycled water was a big reason there was the San Antonio Water System today. In 1992, the City Water Board was combined with the wastewater entity and the Alamo Conservation and Reuse District around recycled water and the best way to use that water. Finding ways to collaborate between the utilities and finding ways to have environmental opportunities between the utilities could be very hard, especially when there were really competitive electrical rates to compare those projects.

One of the past projects included a byproduct of the wastewater treatment processes, methane gas. As solids were digested, methane gas was produced. SAWS wastewater treatment process produced about a million cubic feet per day, and staff worked hard to find a way to generate electricity using the gas. Staff spent many years working with CPS Energy to find a way to use the gas. After seven years of work, staff determined the use of internal combustion engines would not work to generate power cheaper than could be bought off the grid. A completely different approach was taken to privatize the gas. A third-party firm moved onto SAWS facility, cleaned and compressed the gas, and sold the gas on the natural gas grid. The project takes about 32,000 cars off the road or 20,000 tons of CO2 off the road on a daily basis. The next project was the Sinkin Solar Farm at SAWS Dos Rios Water Recycling Center. The wastewater treatment plant was about 700 acres of property were probably 150 acres included the wastewater facility. The additional property was a buffer zone to keep development from moving in on top of the plant. The maintenance of the buffers zones were costly. SAWS worked with CPS Energy to see if it made sense to put a solar farm at the plant. Dos Rios was the largest single electrical meter for CPS Energy. In the 2012 time frame, a 20 megawatt facility was built that was a benefit to both utilities.

In 1968, HemisFair was a time of growth for San Antonio with major downtown redevelopment. Part of the redevelopment was construction of a large centralized heating and cooling facility, a thermal energy plant used to maintain chilled water, ice-makers, steam, et cetera, through the downtown area. SAWS owned and operated the system for many years because the thermal energy facility was built on the old City Water Board headquarter property. About ten years ago, SAWS evaluated the system, and there were two major findings. First, there was no future for the steam operation and the large boilers. The steam operation could do well in a really cold winter, but most of the time in the summer the boilers were significantly under-loaded. Technology had moved to the point where it was cheaper for the individual users to build their own heating systems. SAWS worked closely with the City and with all the users of the system to ultimately shut down the steam operation. Chilled water was a very different story. The chilled water system was in relatively good shape and had a great future. The recommendation was to do major marketing efforts and grow the system in downtown San Antonio. The chilled water system had 20,000 tons of chilled capacity, and consisted of about 5.5 miles of pipeline that circulated the thermal energy through the downtown system. The downtown thermal energy operation was resource-efficient, climate-resilient and had a low-carbon pathway. He discussed the example of the City of Austin. In 2000, the City of Austin came to San Antonio to observe the district energy operation. Austin built a fairly small system initially, and had gone through two major re-expansions. Today, Austin was three times larger than San Antonio's district energy system. Austin had a business model that allowed them to be very
aggressive in their marketing efforts. Staff knew SAWS system needed to grow, but SAWS was not geared to aggressively market the system. Staff wanted to evaluate if outsourcing or privatizing the operation would provide better opportunities. A Request for Information, or RFI, was issued. Six responses were received from large firms who did thermal energy operation. Three of the larger firms would be interviewed. If the option to outsource or privatize looked good, then a Request for Proposal, or RFP, would be issued. Of course, staff would make sure that all the users of the system were involved to keep them updated.

Mr. Clouse reviewed the use of recycled water at the cooling lakes since 1963. During drought years, there was a high demand. In 2011, CPS Energy hit an all-time high of water use out of the river of 52,000 acre-feet. At that time, the direct use or recycled contract with City Public Service Energy was only 40,000 acre-feet. After 2011, the utilities got together to discuss the direct use contract, and increased the contractual obligation to 50,000 acre-feet per year to make sure future cooling at the lake would not be interrupted. He discussed how the water discharged from Dos Rios and then, approximately three miles downstream, CPS Energy picked up the water and put it into the lake. The outfall produced a lot of energy and staff was evaluating the opportunity for an energy project to capture the energy and put it back into the system to help run the plant. SAWS and CPS Energy were consulting with Arcadis, and the final report was nearly done that would looked at building a hydroelectric facility using the outfall at Dos Rios. The report would look at changes in risk, different alternatives and grant funding opportunities. Once the report was final, staff would bring the recommendation to both boards for discussion.

He discussed SAWS H2Oaks Center where three water sources were managed on a single piece of property. H2Oaks was the only system of its type known in the United States. SAWS managed the Aquifer Storage and Recovery at the facility, where water was pumped to the facility and stored underground. The 6,000 acre property gave SAWS the ability to pump Local Carrizo water, and the desalination facility was also located on the property. He discussed some of the tours at H2Oaks that included Ms. Gold-Williams. This was SAWS most sophisticated system and was entirely computer controlled. Any little changes in the operation could shut down the whole system. One of the problems that was happening was intermittent power glitches. The main power transmission feed came from Dos Rios all the way down to the H2Oaks facility. Any interruption of the power would have the ability to shut down the entire operation. By the end of the year, CPS Energy would have completed a redundant and separate feed to the facility that would take care of all those problems.

He discussed the opportunity to build the next solar project at the H2Oaks property. SAWS started meeting with CPS Energy staff to see if the property met the criteria and the project made sense. The demand of 23 megawatts of power was a fairly significant demand. Staff had discussed somewhere between a 13 and 15 megawatt solar facility and whether the facility would include a battery operation. If a 50 megawatt facility was built, it would take about 500 acres of property. The property would need to be immediately available, close to the H2Oaks facility, and not have a lot of trees on it. Not only was there space that met all three criteria, but there was a tremendous amount of property that had no trees on it and was right next to a major power consumer. There was still a lot of work to do, but staff would give an update in the not too distant future.

Mayor Nirenberg asked how a major solar operation would serve Dos Rios and be integrated with the rest of the electric infrastructure. Ms. Gold-Williams responded the facility would be structured to where it would be connected. The facility could be isolated, particularly if it's coupled with energy storage. The ability to isolate that in terms of whether there was any type of disruption of
everything off the grid. It would be for a matter of resilience and convenience that the facility would be isolated.

Mayor Nirenberg commented that the average resident viewed the water energy nexus as a collocation of facilities, and the idea of generating energy at a water facility, particularly as it related to decentralized generation that was efficient and renewable like solar. He stated this was a huge opportunity and hoped work would continue to make it operational.

Dr. Mackey inquired about how to implement the process and whether CPS Energy had the capability of generating energy through hydropower as discussed. Mr. Clouse replied that hydro powered wastewater plants were fairly unusual because wastewater plants were located at the lowest point in a region to utilize gravity to get to the point of discharge. He stated he thought that just having both entities in the room and encouraging staff to go back and continue to research and explore ways to get that done, we would get there.

Dr. Mackey inquired about other cities in the nation that were doing hydro powered wastewater plants. Mr. Clouse responded that for a wastewater effluent hydropower, there was a facility in Nevada on the Teton River. There were just a few that were doing hydopower off a wastewater plant, which was why this was sort of unique. While the water cascading down was a large volume of water, the actual energy generation was only about half a megawatt and was fairly small in size.

Ms. Gold-Williams discussed other areas in the country where water hydro plants for energy were common because these places had a natural source of water. Geographically, San Antonio did not have the ability to efficiently produce hydropower. Hydropower had a low cost per unit, but San Antonio already had a low cost of energy per unit, so it was hard to make the economics work. Sometimes the cost for supply of equipment starts to come down and technology starts to improve that could make the economics work. As businesses owned by the community, each of the utilities look for true economics to drive how decisions were made so customers, in turn, were not paying the premiums for these great collaborations. She pointed out that with the expected growth, some of the older plants would need to be retired and it was beneficial to think about partnerships now for those new opportunities.

Chairman Steen asked how long staff had been looking at the proposed collaboration for a solar facility. Mr. Clouse responded the solar facility at H2Oaks was probably the most promising collaboration and staff had working on it for at least six months but probably longer.

Chairman Steen asked Mr. Clouse to expand on the economic viability of a solar facility. Mr. Clouse replied that staff had looked at energy opportunities at H2Oaks even before the desal facility was built. He discussed the partnership between the two utilities as far as goals and standards to consider for the economics around the facility. He stated there were many decisions that needed to be made before it could be determined if it would be beneficial from a cost perspective.

Ms. Gold-Williams added that she was not discouraged that projects took a long time. Some of the CPS Energy plants could last 60 to 80 years. To put a high performing plant in place, the permitting, design, and licensing could take two to six years so many of the investments were made by considering the long term benefits.

C. Discussion regarding CPS Energy’s Smart Grid Digital Technology. (Paula Gold-Williams – Senior Chiefs)
Ms. Gold-Williams kicked-off the presentation on CPS Energy’s Smart Grid platform and digital technology investment. CPS Energy conducted a 40,000 customer pilot, and then launched a four-year implementation program to put digital in the community. The benefit of not being the first was that staff was able to study other communities and learn from their lessons. Overall, the implementation was very smooth and was just completed this summer. She wanted to share the immediate benefits, the potential for reduced costs, the efficiencies, and potential new ways to serve the customers. She asked her senior chiefs to share their area of expertise and what was done from a strategic perspective for the enterprise-wide program. They would also share where there were some potential benefits with SAWS. She commented on the People First philosophy at CPS Energy, and the belief that things had to be done for the benefit of the customers, community and employees.

Felecia Ethridge discussed the customer focus in the digital age and evolving customer expectations of the past, present and future. In the past, customers were ratepayers. Ratepayers were just a number, and called when they had business to do. Today, ratepayers were customers, and customers wanted the ability to understand the services that were provided in multiple ways. Transitioning into the future, the customers wanted what they want, when they want it, the way they want it, how they want it, and they want it now. It’s all about customers being really consumers. Consumers were informed and educated, and knew what they wanted from the utility. It was very important in the future that digital infrastructure was created so customers could connect seamlessly, efficiently, and in ways that they wanted to do business. She reviewed some of the benefits of the digital infrastructure. CPS Energy saw a reduction in estimated bills from about 17 percent in years past to about 0.1 percent. Customers were offered self-service options that provided control and convenience. Near real-time billing and diagnostic information gives customers the opportunity to do a self-diagnosis on bills and usage. CPS Energy saw a significant improvement around 60 percent in field visits. There was an opportunity for better leak detection that would be there for SAWS as well. There was an opportunity to improve employee safety and customer privacy. CPS Energy saw some opportunity to repurpose employees who read meters in the field. The employees were retrained, reskilled, and redeployed in other positions. Lastly, the digital infrastructure would benefit the company by predicting and anticipating issues before they happened. Clearly most, if not all of the benefits, would transfer to SAWS customers who are also CPS Energy customers.

Cris Eugster reviewed the evolution of the grid and CPS Energy’s investments in terms of upgrading the network. Fifteen years ago, the network did not look much different from where it was in the 1800’s. Over the last five years, significant investments were made in upgrading the capabilities to include new products and services. With the Smart Grid, about 1.2 million end point devices were deployed and 1.17 million meters were read over the air. The project was successfully completed on time, under budget, and was the new standard of serving a connected San Antonio. He highlighted some of the operational savings such as fewer trucks roll, reduced emissions and employee safety. Customer benefits included accurate bills, same day move-ins, web portal for services, data for comparing real-time usage, and energy efficiency tips. The transformational benefits included the integration of technology, and rooftop solar systems that allowed the trading of power between customers because of the platform. The platform would also provide new pricing plans, new services and resiliency.

Karen Kirwan discussed the evolution of technology and how CPS Energy prepared for the digital age with the Smart Grid program. Vintage technology was replaced with smart devices that customers relied on to run their homes and their lives. In the future, technology gets very interesting.
and into the age of digital twins, augmented reality, and artificial intelligence. Future technology would generate an immense amount of data that could be used in advanced analytics. The CPS Energy network was a very robust network. To build the digital ecosystem, CPS Energy needed partners with a longstanding relationships that could help connect a varied and flexible set of power sources. With that connection, it would allow the utilities to be more predictive. Customer would be able to determine on a daily or weekly basis their water consumption levels so they could conserve on the spot before the bill came in the mail. The customer could also do things such as predictive leak detention before it became problematic.

Fred Bonewell reviewed the security and safety with the workforce and the community. Today’s platform included access control, dark force protection, perimeter control, and working towards digital transformation. With the foundational elements set, safety and security included developing partnerships in the community and with the military. CPS Energy had a defense sensitive grid, and worked to ensure the grid was as resilient as possible to protect the five military bases. By working together and collocating cyber experts under one roof, the attention given to prevent a hack and to monitor systems was multiplied. The automatic meters were deployed successfully without compromise and the power was kept on for the customers without compromise.

Chairman Steen stated the Mayor would need to leave and asked Sheryl Sculley to make a few comments.

Mayor Nirenberg commented on San Antonio working collaboratively as a community on some of the most basic needs in terms of information security, making customers' data safe as well as making sure that we were efficiently operating both on the customer experience. He thanked everyone for coming together to discuss these opportunities.

Ms. Sculley commented on the work between the City, CPS Energy and SAWS regarding security issues. The chief information officers were working together to ensure that collaborative efforts were secure for the public. The Smart City initiatives included an executive committee that works collaboratively not only with SAWS, CPS Energy and the City, but also VIA and the San Antonio River Authority. The projects would touch so many of the residents because it would provide access to having the water or power turned on or off, accessing permits from the City, as well as information about city services and VIA transportation passes. There was work on a technology platform that would allow residents in the community to access all of that through one portal. Being one of the fastest growing cities in the country and having that type of customer service for the residents, the expanding businesses as well as the one million people expected to come to San Antonio over the next 25 years, would be transformational. She thanked both of the teams for working closely with the City on the Smart City initiatives, not to mention the coordination with the capital construction projects that were underway.

Chairman Steen thanked Ms. Sculley for her comments and the Mayor for his vision and leadership in encouraging the collaboration between the utilities.

Chairman Guerra thanked the Mayor for being such a champion in this city and bringing the utilities together, and thanked Ms. Sculley for her leadership as the city manager. He commented on the work being done to become a Smart City. He recognized and thanked the SAWS Board members, Vice Chair Pat Jasso and Trustees David McGee, Pat Merritt and Eduardo Parra for their leadership.

Carolyn Shellman discussed the need for smart, dedicated people to work with technology, data,
innovation, and new products. She invited the students with Dr. Marbut’s class to work for SAWS and CPS Energy, if they were interested in technology, in policy, in innovation, and in doing something really good for the community. She reviewed CPS Energy’s contract with Silver Springs Network to build a network that connects every home in the community so that smart meter technology and advanced meter infrastructure could be used. A platform was built that had communication devices, meters, software, and maintenance so the network could be expanded for future uses by the City of San Antonio and by entities like SAWS. Silver Springs Network was purchased by Itron, an industry technology leader. Silver Springs and Itron have brought employees to San Antonio, and have an internship programs to bring people in to learn about the business. They have made contributions to educational institutions here in San Antonio and the surrounding community, and were a great community partner.

Ms. Gold-Williams shared a video of how CPS Energy was working towards a Smart City and leveraging digital technology. She stated they wanted to be able to upgrade the video to include some water solutions for the Smart Grid opportunities as a potential expansion. CPS Energy wanted to work together to use the intelligence of this new technology to improve the distribution system, to help better manage costs, and reduce the cost of delivery on both the energy and water side. CPS Energy made the investment in the backbone network system. In terms of capital investment and making this a true partnership, she had discussed several options with Mr. Puente. A portion of the network system could be allocated to SAWS, but those economics did not work. Another option discussed was SAWS could use the network as a service and pay more for pulling data from the system. There was the ability to create a structure that actually worked for SAWS and for CPS Energy and mostly for the customers. This could done by entering into pilots where CPS Energy could help SAWS with a smooth transition in the system before major investments were made, and then position the implementation to be extremely well planned out. She stated this was a huge opportunity and would help change how the community lives in the future.

5. Inquiries of the Boards of Trustees for future briefings/Closing Remarks

Ms. Merritt inquired about how to guard against the infiltration of the system. Ms. Gold-Williams responded that the wonderful thing about the digital system was the ability to constantly monitor the system. With a digital system, a read would be received that there was no data coming from that meter and someone could go out and check to see what was going on with the meter.

Mr. Kelley commended Chairman Guerra and the SAWS team for diversifying the water supply. Diversification was key to any type of business policy. For many, many years, San Antonio was totally dependent on the Edwards Aquifer. As a person who spent 40 years in commercial real estate business and traveled the country visiting with other cities and was involved in economic development, the fact that San Antonio was dependent upon the aquifer was a negative in terms of economic development. Water was becoming more and more of a lightning rod for problems with cities. SAWS was to be commended for a tremendous game-changer in bringing the city’s water from a single source to multiple sources in abundance.

Chairman Guerra thanked Mr. Kelley for his comments. He stated he was very proud of SAWS accomplishments as a team. SAWS could not have done it without everyone stepping up to the plate at City Council to help diversify the water supply. He looked forward to continuing to work together to help the city economically and to keep a safe, diversified water supply. He discussed the continued efforts to conserve the water supply and to reduce the gallons per person per day. San Antonio has done an outstanding job as a city to bring everything into focus and to be very
conservative and responsible as citizens.

Mr. Parra thanked CPS Energy for their partnership and their work to secure the network. The possibility to collaborate could save a lot of money that otherwise would cost the ratepayers.

Dr. Mackey thanked SAWS for hosting the meeting, and looked forward to hosting SAWS in the future.

6. Joint Adjournment

A. Berto Guerra, Jr., Chairman, SAWS
B. John Steen, Chairman, CPS Energy

The Joint Meeting of the San Antonio Water System Board of Trustees and the CPS Energy Board of Trustees of October 9, 2018, adjourned at 10:47 a.m.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Amy Hardberger, Secretary
MINUTES

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES

October 9, 2018, 10:30 A.M.
or
upon adjournment of the
Joint Special Meeting

6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

Board Members Present:
Berto Guerra, Jr., Chairman
Pat Jasso, Vice Chair
Pat Merritt, Assistant Secretary
David P. McGee, Trustee
Eduardo Parra, Trustee

Board Members Absent:
Amy Hardberger, Secretary
Ron Nirenberg, Mayor

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on October 9, 2018, and called to order at 11:15 a.m. by Chairman Berto Guerra.

2. Announcements.

A. The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.
3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees
      Regular Board Meeting of August 7, 2018.

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


      None

5. Public Comment.

      James Lee Murphy extended an invitation to Chairman Guerra to attend the forum sponsored
      by the League of Independent Voters, entitled Yes Or No on Appropriations A, B or C. The
      event would take place next Tuesday, October 16, from 7 to 8 p.m. at the Pan American Golf
      Clubhouse, located at 2300 Avenue B in San Antonio. The event would be followed by a
      watch party for the debate between Senator Cruz and Representative O'Rourke.

      Ellen Berky stated she lived and worked in different places within the city for almost 50 years
      and was currently residing in the Alta Vista neighborhood within City Council District 1. She
      stated she recently accepted an invitation to serve on the board of directors of League of
      Independent Voters, and intended to deliver a formal invitation to Chairman Guerra in
      writing to participate in the Independent Voters sponsored debate.

      Alan Montemayor stated he attended the earlier joint meeting between CPS Energy and
      SAWS and was gratified to hear of the cooperation that would follow for initiatives such as
      the potential facility at H2Oaks, fleet efficiency and improved air quality, AMI, and leak
      detection. At the end of the day, the projects had to be economically viable. He asked that
      staff look at the external costs of all the projects and to quantify the benefits for the City of
      San Antonio that would come out with a climate action plan.

CONSENT AGENDA ITEMS

   Items 6 – 24

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 Thermo Electron North America,
         LLC to provide: Inductively Coupled Plasma Mass Spectrometry
         System (ICP-MS) for the analysis of metals, Bid No. 18-18084, for a total
         of $119,495.40.
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 Jayden Graphics, Inc. to provide: annual contract for billing and return envelopes, Bid No. 18-0020A, for a total of $210,230.40.

2. Authorizing additional funds to the existing contract with Horton Horticulture, Inc. to provide: annual contract for lawn maintenance services for ASR and Wastewater Treatment Plant properties, Bid No. 16-1250, for a total of $86,539.00.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

7. A Resolution awarding a construction contract to D Guerra Construction, LLC in an amount not to exceed $1,886,442.92 in connection with the Westlakes Off-Site Water Main Extension – Segment A Project; approving a contract between the System, D Guerra Construction, LLC, and Pulte Homes of Texas, LP for the project work; authorizing the expenditure of funds in the amount of $1,273,483.65 for the System’s proportionate share of the project work payable to D Guerra Construction, LLC and the expenditure of funds in the amount of $127,348.37 for the System’s proportionate share of the engineering design fees payable to Pulte Homes of Texas, LP.

8. A Resolution awarding a construction contract to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in an amount not to exceed $1,643,885.50 in connection with the 2019 SMP Package I (Avenida Prima, La Aventura, & La Bahia).

9. A Resolution awarding a construction contract to Qro Mex Construction Co., Inc. in an amount not to exceed $655,300.00 in connection with the 2019 SMP Package II (Sligo St., Lyons St.).

10. A Resolution awarding a construction contract to R.L. Jones, LP in an amount not to exceed $480,103.10 in connection with the 2019 SMP Package III (Anne Lewis, Veda Mae).

11. A Resolution awarding a construction contract to R.L. Jones, LP in an amount not to exceed $773,065.30 in connection with the 2019 SMP Package IV (Santiago St., Bowdoin St.).
12. A Resolution awarding a construction contract to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in an amount not to exceed $688,677.00 in connection with the 2019 SMP Package V (Bertetti Dr., Fedora). (ANDREA BEYMER – GAIL HAMRICK-PIGG)

13. A Resolution awarding a construction contract to M5 Utilities, LLC in an amount not to exceed $1,493,397.50 in connection with the Boerne Stage Road Water Main Replacement Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

**REPLACEMENT AND ADJUSTMENT PROJECTS**

Governmental Relocations and Replacements

14. A Resolution approving an Interlocal Agreement with Bexar County; authorizing the expenditure of funds in an amount not to exceed $1,025,445.68 for the adjustment and replacement of water and sewer facilities by Bexar County in connection with the Candlewood Subdivision Phase II Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

**EASEMENT AND REAL PROPERTY**

15. A Resolution awarding a professional services contract to Hollerbach & Associates, Inc. in an amount not to exceed $300,000.00 for a five-year period to provide real estate title services in connection with the acquisition and disposition of real property and for various capital improvement projects. (NANCY BELINSKY – BRUCE HABY)

16. A Resolution approving the acquisition of a permanent water line easement being approximately 0.160 acres from Clare J. Campbell, being located on the west side of US Hwy 281 and Bitters Road in Bexar County, Texas for the Central Water Integration Pipeline Project in an amount not to exceed $132,500.00. (NANCY BELINSKY – BRUCE HABY)

17. A Resolution authorizing the President/Chief Executive Officer or his duly appointed designee to negotiate and execute a Joint Use Agreement with the City of San Antonio Parks and Recreation Department in an amount not to exceed $300,000.00 for the Central Water Integration Pipeline Project. (NANCY BELINSKY – BRUCE HABY)

18. A Resolution accepting the bid from and approving a purchase agreement with Yancey Water Supply Corporation for the West View Subdivision Water System located in Medina County, Texas in the amount of $750,000.00 and additional consideration of Certificate of Convenience and Necessity area exchange; authorizing the expenditure of funds from the sale proceeds in an amount not to exceed $2,000.00 to Alamo Title as escrow agent for closing costs. (NANCY BELINSKY – BRUCE HABY)

**MISCELLANEOUS ITEMS**

19. A Resolution awarding a construction contract to RCO Construction, LLC in an amount not to exceed $153,950.00 in connection with the Dos Rios Concrete Drying Bed Pilot Expansion Project. (JEFF HABY – PARVIZ CHAVOL)
20. A Resolution approving an amendment to the Fee Letter providing for certain payment terms under the Revolving Credit Agreement with Wells Fargo Bank, N.A. relating to the City of San Antonio, Texas Water System Commercial Paper Notes, Series B. (DOUG EVANSON)

21. A Resolution authorizing expenditures in an amount not to exceed $978,493.80 for fiscal year 2018 and 2019 for the third year of a three-year agreement with SHI Software in connection with the Microsoft Enterprise Agreement and add-on software licenses. (DOUG EVANSON – SREE PULAPAKA)

22. A Resolution approving a Joint Funding Agreement with the United States Geological Survey in an amount not to exceed $495,487.00 for the period of January 1, 2019 to December 31, 2019 in connection with monitoring and studying groundwater water quality, surface/recharge water quality, and hydrogeologic studies of the Edwards Aquifer and System’s water resource projects. (DONOVAN BURTON – SCOTT HALTY)


24. A Resolution approving the first amendment to the Monitoring Well System Construction, Operation and Maintenance Agreement between Gonzales County Underground Water Conservation District, Alliance Regional Water Authority, Canyon Regional Water Authority, Schertz-Seguin Local Government Corporation, and the Guadalupe-Blanco River Authority; authorizing expenditures in an amount not to exceed $192,607.50 for the System’s share of costs. (DONOVAN BURTON – DARREN THOMPSON)

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

Ms. Jasso made a motion to approve the Consent Agenda Items 6 – 24. Mr. McGee seconded the motion.

Consent Agenda Items 6 – 24, were unanimously approved. Electronic voting.

25. **PUBLIC HEARING: 2019 ANNUAL BUDGET**

   A. Public Hearing Briefing (DOUG EVANSON)


Doug Evanson presented the 2019 Proposed Budget and referenced the condensed version that outlined the details of the proposed budget. Once completed, the SAWS Budget Book would be distributed to the Board, posted online, and submitted to the Governmental Finance
Officers Association for consideration of the Distinguish Budget Presentation Award. The award was the highest form of recognition in governmental budgeting, and SAWS had received the prestigious award for 13 consecutive years. He acknowledged Mary Bailey as well as members of her team for their work.

He discussed the budget objectives that were taken into consideration as the budget was developed. First, the integration of a long-term water supply, the most significant alternative sources of supply in San Antonio’s history, was scheduled to begin delivery in 2020. One of the highest priorities was to make sure the resources were available to complete the project. Another objective was to maintain and upgrade existing infrastructure, particularly in compliance with the EPA Consent Decree on the wastewater side. The next objective was to ensure that employee pay and benefits remained competitive while also ensuring that retirement obligations were adequately funded. SAWS needed to continue to implement technological advancements to improve the level of efficiencies and staff’s ability to serve customers and meet customer needs. Finally, staff had to balance the need to meet all of the objectives and maintain the credit ratings while at the same time balancing the affordability of customer rates.

SAWS was to be a completely self-sufficient entity that generated revenues through charging for services. As prescribed in the founding ordinance, SAWS was to meet its obligations in the order of paying all operating and maintenance costs, meeting all debt service and reserve fund requirements, transferring 2.7 percent of an estimated $19.3 million next year to the City of San Antonio, and creating a sufficient surplus of funds to be transferred to the renewal and replacement fund. While the amount of surplus was not specifically designated in the ordinance, the surplus determined the debt coverage ratio and provided funds to meet any emergency needs as well as to cash fund a portion of future years’ capital expenditures.

Last year through the budget process, SAWS secured approval for a 2019 rate adjustment that would increase the average residential bill by approximately 4.7 percent. The rate increase for 2019 would generate basically $27 million in additional revenue to support the wastewater requirements under the EPA Consent Decree, with the second largest component going towards water supply and the Vista Ridge Water Supply Project. The $27 million of additional revenue was the primary driver behind the increase in operating revenues to generate about $828 million worth of funding sources, with 88 percent from charges for water and sewer services and about nine percent provided through impact fees. The remaining three percent of funding was derived from interest earnings, and the final $1.4 million installment payment SAWS would receive under the LCRA settlement. The uses of funds included 42 percent of the funding for operating and maintenance of the system, about 29 percent or $241 million dedicated to meeting ongoing and newly created debt obligations to fund a portion of the capital initiatives, $19.3 million transferred to the City of San Antonio, and the remainder transferred to the R&R fund for future capital expenditures.

The O&M budget included 45 percent to pay personnel salaries and benefits, 12 percent for the purchase of various sources of water, nine percent to fund various contractual and professional services, eight percent to CPS Energy as the largest user of power in the city, seven percent to pay EAA and TCEQ assessments, about nine percent to fund the maintenance expenses and street repairs, and the last ten percent dedicated to operating expenses such as chemicals, software and hardware maintenance, conservation programs, security, vehicle maintenance, fuel, et cetera. He reviewed some of the O&M expenses by
In support of the fair and competitive employee pay and benefits objective, budgeted personnel costs were projected to rise by about $5.25 million or 3.3 percent over 2018 budget levels. Staff proposed to adjust the living wage for employees in grade level 13 from $14.50 to $15.25 per hour, with a corresponding upward adjustment to grade 14 minimum. As a result, approximately 180 employees in grades 13 and 14 would be raised to higher level minimums. Additionally, approximately 350 employees in those grades would receive an across the board pay adjustment of three percent effective January 1. The remaining budgeted funds would be utilized to fund performance pay adjustments for all other employees. These pay adjustments would average approximately three percent and would be effective April 1. The increase in overall personnel costs would reflect an increase in the employer portion of employee and retiree medical benefits. These costs increased despite raises in cost sharing, copays, premiums and surcharges. The second part of the employee benefits objective was to ensure the adequate funding of retirement obligations. He reviewed the progress SAWS had made in continuing to meet its post-employment benefit obligations. There were three different pension plans, two of which had been closed. The one that remained open was the Texas Municipal Retirement System. All three combined were about 91 percent funding ratio. While the post-retirement medical and life benefits were not quite as well funded as the pension, tremendous progress had been made and the funding was anticipated to continue to progress through the years.

In 2019, advanced analytics would be utilized to identify water main replacements. Similar to what was done on the sewer side for the Consent Decree, some additional technology would be implemented to help identify and prioritize the smaller mains and capital spending dollars. Staff would further automate and streamline processes involving developers, contractors, and retirees, focus on leak detection efforts through satellite imagery, and more effectively monitor and manage O&M contracts. Finally, staff wanted to expand the real-time integration and applications that provide electronic services directly to SAWS customers. At the joint meeting with CPS Energy, the Board heard about the opportunities to leverage existing investments in their AMI network. There was $2.6 million scheduled for an AMI pilot in 2019, and numbers were built in for a full implementation over a four-year period beginning in 2020. Projected customer growth was about 30,000 between year-end 2017 and 2019, or about 15,000 connections on an annual basis. With continued investment in technology to drive efficiency, the customer connections to budgeted employee levels continued to grow.

He discussed some of the contracts for purchased water, which was the second largest category. In 2018, about $5 million contractual and professional services were included for electrical system improvements needed to facilitate the delivery of the Vista Ridge water, and about $1 million in related to cathodic protection. The reduction was somewhat offset by slightly higher budget level for legal expenditures anticipated in 2019. The level of expenditures associated with maintaining infrastructure continued to rise as the system grows. Specifically in 2019, the budget reflects an additional $2.2 million dedicated to rehabilitation efforts on five water tanks, with two of those tanks being critical for the Vista Ridge water and a third tank rehab deemed critical by the engineering and operational areas. The third item was the level of capitalized costs. A couple of years back, the methodology was changed with respect to the capitalization of overhead costs. That combined with the reduction in the amount of work being performed by HDR in connection with the Consent Decree, resulted in a fairly significant reduction in costs projected to be capitalized in 2019.
expenditure category. The WECo supply contract was inherited from the former BexarMet. This contract required the purchase up to 17,000 acre-feet of water annually, if the water was made available. The source was out of the Trinity Aquifer and was subject to drought, which was the biggest challenge for the water source. The WECo supply contract could produce a lot of water when there was a lot of rainfall and the aquifer levels were high, but revenues were depressed during this time. In 2016, about $17 million was spent on this contract and about $7 million was forecast for 2018. The 2019 budget planned for about $12 million. The WECo supply contract was not really beneficial when it was needed most and would probably not be something SAWS would re-enter going forward.

The proposed Capital Improvement Program (CIP) was about $376 million. The largest piece of the funding of about $137 million was in connection with the EPA Consent Decree for wastewater main replacements and rehabilitation improvements. The governmental portion was about $55 million, with about $20 million related to additional sewer main replacements through the governmental program. The CIP funding would be kind of an equal amount of debt funding as well as cash funding.

In the five years from 2014 to 2018, SAWS dedicated budgeted funds totaling about $500 million in wastewater main replacements and rehabilitation efforts. He discussed a recent headline in the Houston Chronicle, "Feds, state sue Houston over years of illegal sewage spills." Houston’s negotiations with the EPA and the Department of Justice was projected at $5 billion, and Houston would be added to the list of cities that were under a Consent Decree. He referenced a chart presented by Moody’s representative about the rating impacts of Consent Decrees. At that point in time, SAWS total expenditures were estimated to be about $1.1 billion. Jeff Haby indicated back in November those numbers had escalated, but were much lower than many of the other cities. There was still substantial work to be done, including a couple of projects that were either not considered in initial estimates or were significantly more costly than originally forecast. As a result, current projections were approximately $800 million over the next five years for additional improvements to the collection system consistent with requirements under the Consent Decree. Many of these improvements consisted of replacing or installing major segments of large diameter sewer mains. Given the size, the length of pipe, and the depth of the trench, W6 was currently estimated to cost around $250 million.

During this significant period of investment into the collection system, the remainder of SAWS infrastructure could not be simply disregarded. About $95 million was planned for existing water delivery infrastructure, including about $60 million in main replacement activity and another $35 million in production facility upgrades. At the same time, about $33 million would be invested into the wastewater treatment facilities, including some electrical system improvements at both Dos Rios and Leon Creek and an additional $20 million to replace sewer mains as part of the governmental program. Bringing the Vista Ridge water supply online and integrating the water into the distribution system was one of, if not, the absolute highest priority for 2019. The 2019 budget would dedicate an additional $57 million to the capital budget for the Central Water Integration Pipeline to ensure that adequate funding was available to complete this project. Additionally, about $2.3 million in O&M costs were associated with the Vista Ridge Project. With the Vista Ridge water payment scheduled to begin in early 2020, SAWS was required by ordinance to increase the funding level and operating reserve by almost $14 million to accommodate two months of future O&M expenditures. Looking forward at the next five years’ CIP, the work for the
Consent Decree did not stop unfortunately. A significant amount of about $1.3 billion for wastewater capital expenditures and more than $2.3 billion total capital expenditures were planned over the next five years. The figures beyond 2019 were preliminary and subject to change as new information became available and priorities were altered.

Finally, the last budget objective was to figure out how to accomplish all that needed to be accomplished while simultaneously balancing the financial strength of the organization and the affordability of the rates. He discussed the current projections for rate increases as well as the level of SAWS projected average residential bill. There would be a big increase in the water supply rate because of the Vista Ridge water supply coming online next year. Staff was working to not have any other rate increases for water delivery or wastewater in 2020 and have no rate increase in 2021. There would be impacts to days cash on hand by trying to do more cash funding. Currently, the days cash on hand metric exceeded the target established with the rating agencies, but staff would leverage the cash on hand to reduce the amount of financing over the next several years. The bonded debt coverage would go down as well. He stated that while SAWS was able to out-perform the last several years, it would become more challenging. Since the passage of the latest Tax Reform Act, advance refunding had been basically eliminated, and interest rates were on the rise. Also, a significant portion of the Vista Ridge payments would likely need to be treated as debt service. These payments were shown as operating expenses in the model, but it was likely that a significant portion would need to be treated as debt service.

He reviewed the average residential bills for the major Texas cities. Even with the rate adjustment for 2019, SAWS average residential bill would compare favorably to most of the other large Texas cities based on 7,092 gallons of average water usage and 5,668 gallons of wastewater. The average water use continued to go down every year so those numbers would need to be recalibrated at some point.

Mr. McGee thanked Mr. Evanson for helping everyone understand the priorities and how the priorities would be methodically accomplished. He commented on the pay increases and the rise in productivity and commended staff for the oversite of the bond program. He understood the difficulty of knowing how to manage the financial metrics so that highest rating could be maintained. He touched on the potential of additional interest costs due to the referendums, in the bond ratings were to go down. Mr. Evanson replied that it was hard to prognosticate exactly what the rating agencies would do, but certainly the analysis of the City as commissioned by Dr. Steve Nivin talked about the impact. He quoted Dr. Nivin’s analysis, “We believe the changes to the referendum process in particular could have a material negative impact on the City's finances. As such, initiatives could affectively limit San Antonio’s ability to manage its budget.” And then Dr. Nivin pointed out, “That furthermore, since CPS Energy and SAWS are required to have their rates approved by the San Antonio City Council, the charter amendment opens these rates to the possibility of going to a referendum vote. This uncertainty could also very possibly negatively affect the bond rating for the utilities, which today have excellent ratings for a municipally owned utility.”


Chairman Guerra stated there were no individuals had signed up for Public Comment. He closed the Public Hearing on the 2019 Annual Budget.
ITEMS FOR INDIVIDUAL CONSIDERATION
CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
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<td>1</td>
<td>Briggs Ranch Tract</td>
<td>Flotex Developers LLC</td>
<td>165</td>
<td>580</td>
<td>580</td>
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<td>Y</td>
<td>OVR</td>
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Total 165 580 580

Tracey Lehmann presented Item 27, the Utility Service Agreement (USA) for the Briggs Ranch Tract. The tract was a residential development on the far west side of San Antonio located off Highway 211. The developer was requesting 580 water and wastewater equivalent dwelling units for the 165 acre tract. The tract was within the five-mile radius of military bases, with the Lackland Annex being the closest facility. The USA also had a requirement for a 24-inch water main oversizing. He reviewed project maps and proposed infrastructure options for the tract. Staff recommended to oversize a portion of the water main to a 24-inch main going east from Highway 211 to the north end of the tract. The oversized main would then extend north up to Potranco Road to an existing 24-inch water main and create a loop system. The oversize improvement was also included in other USAs in the area. For sewer, the developer could connect to an existing 24-inch wastewater main along Highway 211 going towards the south or connect to an existing 15-inch wastewater outfall to the southeast of the tract. Both outfalls connect to the Medina River Sewer Outfall, which was a partnership between SAWS and the development community.

Staff recommended approval of the Briggs Ranch Tract USA and the oversizing requirement.

Mr. Parra made a motion to approve Item 27. Ms. Merritt seconded the motion.

Mr. Parra asked if Joint Base San Antonio had been notified. Mr. Lehmann confirmed.

After no further discussion, Item 27 was unanimously approved. Electronic voting.

Water and Sewer Line Improvements
28. A Resolution awarding a construction contract to SAK Construction, LLC in an amount not to exceed $21,918,562.00 in connection with the Multiple Sewershed Package 2A Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Steve Clouse discussed the cost estimating process and significant differences between the engineer’s estimate and bids on a few of the agenda items. He provided some background on the bids and drivers causing some of the variances with the bids. For the construction items overall, the bids were 11 percent of the estimated construction cost. On a case-by-case basis, the variances between the bid and the estimate were all over the place. He reviewed a table of the agenda items and the process for an individual presentation.

He stated that other water utilities were seeing some significant deltas between the engineer’s estimate and the actual bids so it was not just a San Antonio problem. Seventy-five percent of SAWS projects were below $3 million. Staff reviewed each one thoroughly prior to bringing the items to the Board. About 75 percent of the time, the bid was within 25 percent above or below the engineer’s estimate. About 12 percent of those bids were rejected and the item did not move forward. The contractors did a tremendous amount of work to prepare those bids, and staff did not take it lightly when making the decision to reject bids. The decision to rebid could be for a number of reasons, and staff may have some restructuring of the project that could change the scope. Typically if a project was rebid, it did not always come in cheaper.

He discussed how the engineer’s estimate was prepared according to the American Association of Cost Estimators. The international recommended process was a standardized and regimented process for the estimates. As the consultants work to build the bids, they used probable construction costs for each phase of the work. He discussed some of the drivers impacting the accuracy of the estimates. The complexity of the project could be a factor for the contractors. The type of construction could cause some of the variance. Schedule compression could also cause higher estimates and were on a lot of projects. The deadlines shrink the contractor’s time and put more risk on the contractor. Risk shifting was another driver causing risk on the contractor to make sure the work was done on time came at a cost to SAWS. The availability and volume of similar work across Texas also drove the project costs. An engineer’s estimates were typically conservative. Some of the things an engineer would consider when preparing a bid included availability of materials, skilled contractors, and tariffs. Events such as the $5 billion Consent Decree in Houston and all the work to address problems Houston suffered during Hurricane Harvey had an impact on the market conditions. He discussed a chart that displayed the number of bidders on pipeline or facility projects over a four-year period from 2015 through 2018.

Before an award is brought to the Board, staff performed an analysis of the bid with the help of the project consultant. The lowest bidder was brought in to discuss their bid. If appropriate, an independent consultant prepared an estimate. Additional discussion and evaluation of the bid would be done with the final approval to move forward by Mr. Puente. He reviewed the current range for items that required individual consideration by the Board. The variability of the bids would be more significant moving forward. Rebidding work did not always work. The more challenging the project schedule, the more significant risk transferred to the contractor and resulted in a large variance. Staff would not move a project forward for consideration where the bid value was not the most effective use of public funds. He proposed a change in the reporting process for items that required individual consideration.
consideration by the Board for the next six months. Projects under $3 million with a variance of plus or minus 25 percent would remain on the Consent Agenda. Projects over $3 million regardless of the variance would be presented individually. Projects under $3 million but with a variance in excess of 25 percent would be identified and a cost variance memo included in the Board packet. Full presentations would be available, if the Board wanted to pull the item from the Consent Agenda for individual consideration.

Gail Hamrick-Pigg presented Item 28, the award of a construction contract for the Multiple Sewershed Package 2A Project. The project was part of the EPA Consent Decree to address approximately 3.8 miles of large diameter, 24-inch to 48-inch sewer mains using the cured-in-place pipe method. She reviewed a map of the locations located around Loop 410.

Four bids were received, and the lowest responsible bidder was SAK Construction, LLC with a bid in the amount of $21,918,562.00. The bid was about $4.8 million less than the engineer's estimate or 18.15 percent. The SMWVB participation was 25.8 percent, and the construction duration was 540 days. Staff recommended the award of the construction contract to SAK Construction, LLC and approval of funds in the amount of $21,918,562.00 for the construction contract for the Multiple Sewershed Package 2A Project.

Ms. Jasso made a motion to approve Item 28. Mr. Parra seconded the motion.

Ms. Jasso asked if each of the project locations would be going on at the same time. Ms. Hamrick-Pigg replied no. The cured-in-place pipeline work would be site specific, and there was different times allowed for each site.

Chairman Guerra commented on Mr. Clouse’s proposal regarding projects under $3 million on the Consent Agenda for the next six months. He reminded the Board that the information was received ahead of time for their review, and staff was ready to answer any questions. Also, the Board could pull any item for further discussion, and staff would be prepared to discuss the item and make a full presentation.

Ms. Jasso stated her vote to approve the item would not register on the system. Chairman Guerra asked that the minutes reflect Ms. Jasso voting in favor of Item 28. After no further discussion, Item 28 was unanimously approved. Electronic and verbal voting.

Production, Transmission and Treatment Improvements

29. A Resolution awarding a construction contract to Archer Western Construction, LLC in an amount not to exceed $8,613,000.00 in connection with the Water Production Facilities Disinfection System Upgrades Phase II Project.

(ANDREA BEYMER – MICHAEL MYERS)

Mike Myers presented Item 29, the award of construction contract for the Water Production Facilities Disinfection System Upgrades Phase II Project. He reviewed an aerial photo of the project located on the southeast portion of San Antonio just north of the AT&T Center. The Artesia Pump Station included a ground storage tank and pump station, a recycled water elevated storage tank, and disinfection building. The project would include a new entrance road off of Aniol Street to access the facility.
Phase I of the pump stations improvements would be completed December 2018, and included the Wurzbach, Jones Maltsberger, and Marbach pump stations. Phase II of the pump stations improvements would include the Artesia, Seale and Randolph pump stations that were scheduled for construction in 2020. The project work for the Artesia Pump Station included a new on-site hypochlorite generation facility, a control valve for the underground storage tank, associated electrical work, SCADA controls and automated programming, general and civil site work including roads, sidewalks and lighting, and the demolition of the existing chlorine equipment.

One bid was received from Archer Western Construction, LLC, and this was indicative of the environment for the number of contractors available to do this type of work. The bid was 27.55 percent over the engineer's estimate from Arcadis U.S., Inc. The construction duration was 540 days, and the total SMWVB participation was 11.65 percent. Staff recommended the award of the construction contact to Archer Western Construction, LLC for amount not to exceed $8,613,000.00 for the Water Production Facilities Disinfection System Upgrades Phase II Project.

Mr. Parra made a motion to approve Item 29. Ms. Merritt seconded the motion.

Ms. Merritt asked if Archer Western was a local company. Mr. Myers replied that Archer Western was out of California, but had a local office. Archer Western was doing about five or six projects currently for SAWS, and had been a long-standing contractor in the area.

Ms. Merritt asked if there were other companies that could do the work but did not bid. Mr. Myers responded the project was specialized work and there were not very many contractors that did this work. SAWS had done a lot of these projects for the CWIP project that had taken the capacity of these contractors.

Ms. Beymer pointed out that Archer Western had done significant work for SAWS and had a local presence. She added there was a lot of facilities and electrical type work so staff was having trouble gathering bidders.

After no further discussion, Item 29 was unanimously approved. Electronic voting.

30. A Resolution awarding a construction contract to PLW Waterworks, LLC in an amount not to exceed $70,724,755.00 in connection with the Central Water Integration Pipeline Terminus Treatment Facility Project.

(ANDREA BEYMER – ALISSA LOCKETT)

Alissa Lockett presented Items 30 and 31, construction contracts for the Maltsberger Pump Station Improvements Project and the Terminus Treatment Facility Project under the Central Water Integration Pipeline Program. These two projects were advertised as a Request for Competitive Sealed Proposal because of the importance to meet the project schedule to integrate the Vista Ridge water and to make sure the contractors selected had the expertise and resources to complete the project on time. Staff assigned weights to the criteria on both projects, and a selection committee evaluated and score the proposals based on the published evaluation criteria.
The Terminus Treatment Project, next to the Segment 5-1 Pipeline project, was probably the most complicated project within the Central Water Integration Pipeline Program. The facility was located in Stone Oak and was now named the Agua Vista Treatment Facility. When the water comes in from the Vista Ridge Regional Supply Company, the water would come into the Project Company Tank and then go through the treatment facility. The treatment facility included carbon dioxide to lower pH, lime to mineralize the water to match existing Edwards water, and the water distribution pipeline. She discussed the treatment process to filter the water before going into the SAWS tank. The water would then be distributed through Pipeline Segment 5-1 into the central area of San Antonio, to the Bitters, Basin and Maltsberger pump stations, or pumped through the brand new Stone Oak Pump Station into the Stone Oak area through Pipeline Segment 5-2 that came to the Board in September. The facility would also have an operations building to house staff.

She discuss the complication of the project and the congestion in the Stone Oak area. Staff was in negotiation with the City of San Antonio for a contractor laydown area and construction trailer. This would be a win-win for both the City and SAWS because the area would be improved by providing utilities that would give the City a head start on the construction of a new city park. The project site had a lot of other projects going on due to the development in the Stone Oak area and the work by the project company, Garney. SAWS tank was under constructed to get the contractor out of the way and give more room for the contractor coming in to build the Agua Vista Treatment Facility. The two pipeline contractors working on Pipeline Segments 5-1 and 5-2 would use some of the real estate in the treatment facility area, and there was another contractor building the Classen-Steubing sewer main to connect new development to the existing sanitary sewer system.

Another strategy to meet the schedule was the early procurement of equipment. Seven early procurements of equipment were advertised and purchase prices were agreed upon that were included in the bid as an allowance for the contractors bidding the project. The contractors already knew the purchase price for the equipment, they knew the engineers were actively reviewing the technical information for the equipment, and they had a jump start to get the ball rolling on all of these items. These were items that had long leads and staff wanted to try to compress schedules to give the contractors more time to turn dirt. The estimates for the equipment versus the actual prices was almost $2.5 million lower in equipment costs.

Another strategy to help the contractor on the compressed schedule was to phase substantial completion. When SAWS starts receiving water from the Vista Ridge Supply Company in January 2020, there was a requirement that the contractor had to have the facilities in place to convey the water. This included the tank would be filled, all the pipelines needed to be in place by December 31, 2019, and the temporary disinfection facility needed to be in place by April 15, 2020. Associated with the substantial completion milestones were liquidated damages. The first was for Phase 1 substantial completion and included liquidated damages in the amount of $10,000 per day. Starting in April 15, 2020, the liquidated damages assigned were $50,000 per day, which was equivalent to the cost of Edwards water that SAWS would have to buy in the water’s place up to a maximum of $6 million. The liquidated damages for substantial completion Phase 2 were additives to the liquidated damages, if the contractor failed to meet substantial completion Phase 1. Similar to Pipeline Segment 5-1, there were incentives of $50,000 per day before April 15, 2020, if the contractor got the entire treatment facility built up to a maximum of $3 million.
Two bids were received. The proposals ranged from $75 million from PLW Waterworks to $84 million from Flatiron Constructors, Inc. Staff negotiated a contract amount of $70,724,755.00 with PLW Waterworks. PLW Waterworks was a local/non-SMWVB company. The negotiated price was 29 percent higher than the engineer's estimate. The engineer's estimate did not take into consideration the market conditions discussed by Mr. Clouse, and the fact that the compressed schedule led to a need to have an extended work week of 60 hours to get the work done on time. The added cost of the extended work week, the market variability, and the fact that there were only two bidders changed the price significantly. The SMWVB was 22.06 percent, the substantial completion milestone for Phase 1 was December 31, 2019, and Phase 2 was April 15, 2020.

The Maltsberger Pump Station Improvement Project had some major improvements to the electrical system, which was constructed in 1981. The project scope included a new electrical building, switchgear and motor control centers, ductbanks and wiring to include a new SCADA panel. Flow control valves would be placed at Maltsberger and at Basin to help regulate the amount of Vista Ridge water taken into the two facilities, and pressure reducing values would be placed in the distribution system at locations off of Jones Maltsberger Road and Rector Road to better distribute the Vista Ridge water in the pressure zones in those areas. She reviewed photos of the existing conditions at the pump station.

Similar to the other projects, there were milestones and liquidated damages on the Maltsberger project. The intermediate milestone was on December 31, 2019, which was when everything needed to be completed to convey water. The intermediate milestone was tied to completion of the flow control valves and the pressure reducing valve facility. The substantial completion milestone was April 15, 2020, to get the electrical work completed so at least half the station could be operated to distribute the water. The liquidated damages were less due to the smaller size of the project. From January 1, 2020 to April 15, 2020, the liquidated damages were $5,000 per day, and then once SAWS started paying for the water, the liquidated damages were $10,000 per day up to a maximum of $700,000. Lastly, there was an additional liquidated damages of $1,500 per day starting April 16, 2020, which was added to the intermediate milestones should that fail to be met.

Two proposals were received on the Maltsberger project, one from Archer Western Construction, LLC and one from Alterman, Inc. Both were local companies or had local offices. The negotiated amount of the bid from Archer Western Construction, LLC was $11,144,100.00, and their bid was 64 percent above the engineer’s estimate. This was primarily driven by the fact that there was only one electrical contractor that pursued the work. Alterman was also a subcontractor to Archer Western. There was an attempt to get electrical contractors from Houston, but there was so much work right now it was hard getting interest in the large facilities projects. The total SMWVB participation was 12.88 percent, and the intermediate completion milestone was December 31, 2019.

Overall, the engineer’s estimated construction costs for the integration projects that have come to the Board for approval was $130 million. There was one project pending, and was estimated to be about $6 million. The bid amounts have totaled $160,182,840.60 for the projects bid to-date, which was 22.8 percent above the engineer's estimate.

Staff’s recommendation for Item 30 was to award of a construction contract to PLW Waterworks, LLC as the best value to the system, and approval of funds in the amount of
$70,724,755.00 for the construction contract for the Agua Vista Treatment Facility Project.

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

Ms. Merritt inquired about the use of the lime storage silo, feed equipment and contact saturator units. Ms. Lockett explained how the lime was prepared and fed through the facility during the treatment process. The contact saturator units were like the clarifiers used at Dos Rios and at the H2Oaks facilities in the treatment process.

Mr. McGee asked what other projects were left to complete the integration part of the Vista Ridge project. Ms. Lockett replied the last project was Pipeline Segment 5-4. The project was about 5,900 feet of 24-inch water main. About 2,500 feet of the main was being replaced due to the condition and made part of the Vista Ridge Project. The other part was to connect the Basin Pump Station to the pipeline that would convey the Vista Ridge water. The project would advertise that week, and come to the Board in December for approval.

Mr. McGee inquired about the engineer's estimate on the Pipeline Segment 5-4 project. Ms. Lockett stated the engineer’s estimate was $6.1 million, but the project included the rehab of a short segment of main that went under a large City of San Antonio drainage ditch. Staff thought that might add to the cost because it was complicated construction.

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

31. A Resolution awarding a construction contract to Archer Western Construction, LLC in an amount not to exceed $11,144,100.00 in connection with the Central Water Integration Pipeline Maltsberger Pump Station Improvements Project. (ANDREA BEYMER – ALISSA LOCKETT)

Staff’s recommendation for Item 31 was to award of a construction contract to Archer Western Construction, LLC as the best value to the system, and approval of funds in the amount of $11,144,100.00 for the construction contract for the Maltsberger Pump Station Improvements Project.

Mr. McGee made a motion to approve Item 31. Mr. Parra seconded the motion.

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

32. BRIEFING SESSION.

A. Briefing and deliberation regarding the Vista Ridge Project

Mr. Puente stated the briefings by Ms. Lockett on the integration projects were part of the Vista Ridge briefing for Item 32A.

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

None

At this point in the meeting, an Executive Session was held. The time was 12:56 p.m.
34. The Regular Session of the October 9, 2018, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed pursuant to Section §551.071 of the Texas Open Meetings Act.

35. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding legal matters related to (i) Renda/Southland, JV., et. al. vs San Antonio Water System, et. al., Cause No. 2018 CI 18329 in the District Court for the 150th Judicial District of Bexar County, Texas; and (ii) In Re: The City of San Antonio, Texas, acting by and through the San Antonio Water System Board of Trustees, and the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2018A (No Reserve Fund), Cause No. 2018 CI 19101 in the District Court for the 407th Judicial District of Bexar County, Texas, related to the Central Water Integration Pipeline Segment 5-1 Project pursuant to §551.071, Texas Government Code.
   B. 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.
   C. Consultation with attorneys regarding advice on legal matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, pursuant to §551.071, Texas Government Code.

36. The Regular Session of the Regular Board Meeting of October 9, 2018, is hereby reconvened.

The meeting reconvened at 1:39 p.m. The Chairman stated that no decisions were made in Executive Session.

37. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF OCTOBER 9, 2018, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of October 9, 2018, adjourned at 1:39 p.m.

______________________________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
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<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services</td>
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<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements</td>
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<td>Estimated Amount (SMWB)</td>
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SMWB Purchasing Contracts (percentage)  
23.08% 34.20% 12.50% 11.80%

Approved:  
Robert R. Puente  
President/Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 4th day of December, 2018

[Signature]

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>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freeit Data Solutions</td>
<td>One Time Purchase of Nimble Storage Array (DIR-TSO-4160)</td>
<td>All</td>
<td>$138,186.52</td>
<td>This is a one time purchase of Nimble Storage Array. This is necessary for unstructured data (like the H: and I: drives) because our existing system can no longer be expanded and we are running out of room. Nimble storage is a hybrid array that is a form of hierarchical storage management that combines hard disk drives (HDDs) with solid-state drives (SSDs) for I/O speed improvements.</td>
</tr>
<tr>
<td>Grande Truck Center</td>
<td>Purchase of one (1) ea. 66,000 GVWR cab and chassis with installed 8-cubic yard on-site cement mixer (single cab) Bid No. 18-18134</td>
<td>A &amp; B</td>
<td>$832,502.00</td>
<td>These units are part of the 2019 vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td></td>
<td>Purchase of two (2) ea. 66,000 GVWR cab and chassis with installed 20-ton truck mounted hydraulic crane (single cab) Bid No. 18-18134</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santex Truck Centers, Ltd</td>
<td>Purchase one (1) ea. 5-cubic yard, flameless asphalt repair/patch machine mounted on a 35,000 GVWR, extended cab, cab-chassis, to include a roller and spoil bins Bid No. 18-18134</td>
<td>C</td>
<td>$183,000.00</td>
<td>This unit is part of the 2019 vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
</tbody>
</table>

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

Board Date: December 4, 2018
**Award of New One Time Purchases of Materials, Equipment or Services**

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Red McCombs Ford (WBE)</td>
<td>Purchase nineteen (19) ea. 11,000 GVWR (minimum) two-wheel drive, extended cab truck with installed service body</td>
<td>A, B, C, D &amp; G</td>
<td>$1,641,039.10</td>
<td>These units are part of the 2019 vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td></td>
<td>Bid No. 18-18138</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase two (2) ea. 11,000 GVWR (minimum) single rear wheel, 4x2 regular cab truck with installed service body</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase six (6) ea. 19,000 GVWR (minimum) 4x2 regular cab, cab-chassis with stalled reinforced utility body and a 6,000 lb. corner mounted crane</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase one (1) ea. 19,000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 18' platform body with stake pockets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase one (1) ea. 14,000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 10' platform body with stake pockets and 2,000 lb. power lift gate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Grande Truck Centers</td>
<td>Purchase seven (7) ea. 25,000 GVWR cab-chassis, 4-door, crew-cab, 84&quot; CA truck with installed aluminum utility body and 2,000 crane</td>
<td>E</td>
<td>$950,369.00</td>
<td>These units are part of the 2019 vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td></td>
<td>Bid No. 18-18138</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Estimated Total Purchases: $3,745,096.62

*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.

B. VENDOR ___________________________ DESCRIPTION ___________________________ NO(s). ___________________________ PURCHASES ___________________________ REMARKS

1. BFI Waste Systems of North America, LLC Landfilling of Biosolids Bid No. 17-0791 All $500,000.00 This is Year 2 of an existing five year contract. This contract will be utilized by System for disposal at a registered or permitted co-disposal landfill. The second year of the five year contract will be effective January 1, 2019 through December 31, 2019 and funding is requested for 2019.

DIRECTORS Comments

Five vendors were invited to bid, and bid was posted on Demandstar and SAWS Website. Bid requires contractor to load and transport to a Type 1 landfill. BFI dba Tessman Road Landfill is the only Type 1 landfill in this area. Since biosolids must be transported, it is not cost effective for landfills outside of our area to bid. Recommend award.

2. HD Supply White Cap Biennial Contract for Portland Cement, Ready Mix (Quickrete) and Asphalt Cold Patch Bags Bid No. 18-0023 All $320,824.00 This is a new contract. This contract will be utilized by the System for the purchase of portland cement, ready-mix & asphalt cold patch quickrete bags for D&C Maintenance crews. This contract will be effective Date of Award (December 4, 2018) through September 30, 2020. 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 in future years budgets.

3. Saba Software (Canada) Inc. Annual Contract for SABA Software Maintenance and Support (Sole Source) Bid No. 19-18052 All $151,758.11 This is a new Sole Source contract for SABA Software Maintenance and Support. System currently utilizes several modules from Saba Software that were implemented starting in 2010. This contract will be effective January 1, 2019 through December 31, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of two (2) additional one-year options to extend as provided for, and approved in future years budgets.

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

Board Date: December 4, 2018
Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Forcepoint, LLC dba Internet Content Management, Inc.</td>
<td>Request for Proposal for Annual Contract for Data Loss Prevention Solution Bid No. 18-18005</td>
<td>All</td>
<td>$ 124,910.00</td>
<td>This is a new contract. This contract will be utilized for the Data Loss Prevention (DLP) solution shall allow for discovery and secure removal of sensitive data/files. This contract will be effective Date of Award (December 4, 2018) through December 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 in future years budgets.</td>
</tr>
<tr>
<td>5. Safety Supply, Inc. (SBE)</td>
<td>Annual Contract for Isotonic Flavored Drinks Bid No. 18-6000</td>
<td>All</td>
<td>$ 104,141.70</td>
<td>This is a new contract. This contract will be utilized by System for the purchase of Gatorade G2, size twenty ounce bottles in a variety case with three flavors per case. This contract will be effective January 1, 2019 through December 31, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for, and approved in future years budgets.</td>
</tr>
<tr>
<td>6. AVL Elevator dba Oracle Elevator Co.</td>
<td>Annual Contract for Elevator Maintenance for SAWS Locations Bid No. 18-2037</td>
<td>All</td>
<td>$ 148,360.00</td>
<td>This is a new contract. This contract will be utilized by System employees for services of a qualified elevator Contractor to provide a comprehensive maintenance program to maximize the performance, safety and life span of elevator equipment on System elevators located at various locations. This contract will be effective January 1, 2019 through December 31, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for, and approved in future years budgets.</td>
</tr>
</tbody>
</table>

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

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

<table>
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<tr>
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<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. GC3 Specialty Chemicals, Inc. (WBE)</td>
<td>Best Value Bid for Annual Contract for Water Treatment Chemicals Bid No. 18-6014A</td>
<td>All</td>
<td>$ 100,197.60</td>
<td>This is a new contract. This contract will be utilized by System for a comprehensive water treatment program for System Heating &amp; Cooling Department and System Headquarters operating at four major areas. This contract will be effective Date of Award (December 4, 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 three (3) additional one-year options to extend as provided for, and approved in future years budgets.</td>
</tr>
<tr>
<td>8. Alan Plummer Associates, Inc.</td>
<td>Annual Contract for Industrial, Commercial and Institutional (ICI) Water Conservation Audits Bid No. 18-14128</td>
<td>All</td>
<td>$ 200,000.00</td>
<td>Award to be in accordance with the City of Fort Worth contract 18-0354 utilizing a cooperative purchase clause. This contract will be utilized for Alan Plummer Associates to conduct Industrial Commercial and Institutional (ICI) Water Conservation Audits and for the System to use Alan Plummer Associates to promote water conservation among the Systems ICU customers. This contract will be effective Date of Award (December 4, 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 five (5) additional one-year options to extend as provided for, and approved in future years budgets.</td>
</tr>
</tbody>
</table>

$ 1,650,191.41

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449

**TABULATION OF BIDS**

**PROPOSAL FOR:** Nimble Storage Array  
(DIR-TSO-4160)

**DATE:** 3:00 p.m., October 12, 2018

**DESC NO:** 18-18126  
**DECR AND APPROX. QUANTITY**

<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Q8H70A</td>
<td>HPE NS HF20C HYBRID CTO BASE ARRAY</td>
<td>EA</td>
<td>2</td>
<td>$16,575.00</td>
<td>$33,150.00</td>
<td>$23,059.00</td>
<td>$46,118.00</td>
</tr>
<tr>
<td>2</td>
<td>Q8H70B</td>
<td>HPE NS 2X16GB FC'2P FIO ADPTR KIT</td>
<td>EA</td>
<td>2</td>
<td>$2,997.31</td>
<td>$5,994.62</td>
<td>$8,184.00</td>
<td>$16,368.00</td>
</tr>
<tr>
<td>3</td>
<td>Q8G27B</td>
<td>HPE NS NOS DEFAULT FIO SOFTWARE</td>
<td>EA</td>
<td>2</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>4</td>
<td>Q8H75A</td>
<td>HPE NS HF20/20C HYBRID 84TB FIO HDD BNDL</td>
<td>EA</td>
<td>2</td>
<td>$26,520.00</td>
<td>$53,040.00</td>
<td>$35,073.00</td>
<td>$70,146.00</td>
</tr>
<tr>
<td>5</td>
<td>Q8H81A</td>
<td>HPE NS HF20C 5.76TB FIO CACHE BNDL</td>
<td>EA</td>
<td>2</td>
<td>$17,666.74</td>
<td>$35,333.48</td>
<td>$23,365.00</td>
<td>$46,730.00</td>
</tr>
</tbody>
</table>

**6**  
<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Q8J27A</td>
<td>HPE NS C13 TO C14 FIO POWER CORD Capacity: 84TB Raw/ Approx. 87.2 - 184.8TB Effective INCLUDED SOFTWARE CAPABILITIES: - Thin Provisioning, Zero Copy Cloning, Inline Compression - Efficient Snapshots, Efficient Replication with Compression - VMware Integration - Plugins, VAAI, Snap/Restore integration - NPM: Nimble Protection Manager - Microsoft Integration - HyperV, SQL, Exch, SP, VSS, Snap/Restore integration</td>
<td>EA</td>
<td>4</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

**7**  
<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>HT62A01</td>
<td>HPE NS 1Y 4H PARTS EXCHANGE SUPPORT</td>
<td>EA</td>
<td>1</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

**8**  
<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>HT62A01 2ZEB</td>
<td>HPE NS HF20 HYBRID BASE ARRAY SUPP</td>
<td>EA</td>
<td>2</td>
<td>$1,735.85</td>
<td>$3,471.70</td>
</tr>
</tbody>
</table>

**9**  
<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>HT62A01 2ZB7</td>
<td>HPE NS HF20 5.76TB CACHE SUPP</td>
<td>EA</td>
<td>2</td>
<td>$1,025.01</td>
<td>$2,050.02</td>
</tr>
</tbody>
</table>

**10**  
<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>HT62A01 2ZEH</td>
<td>HPE NS HF20/20C HYBR 84TB HDD BNDL SUPP</td>
<td>EA</td>
<td>2</td>
<td>$1,746.68</td>
<td>$3,493.36</td>
</tr>
</tbody>
</table>

**11**  
<table>
<thead>
<tr>
<th>No.</th>
<th>Part</th>
<th>Description</th>
<th>UOM</th>
<th>Qty</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>HT62A01 3ZGI</td>
<td>HPE NS 2X16GB FC '2P ADPTR SUPP Support Period Duration: 12 Months</td>
<td>EA</td>
<td>2</td>
<td>$826.67</td>
<td>$1,653.34</td>
</tr>
</tbody>
</table>

**TOTAL**  
|   |          |            |   |       | $138,186.52 | $189,162.00 | $203,261.56 | $202,345.68 |

*LOW BIDDER

NO BID: PRESIDIO
**TABULATION OF BIDS**

**TIME & DATE:** 3:00 p.m., October 30, 2018

**ITEM NO.**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>MAKE/MODEL</th>
<th>DELIVERY DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>1 ea. 66,000 GVWR cab-chassis with installed 8-yard On-site cement mixer (single cab)</td>
<td>*</td>
<td>256,322.00</td>
<td>256,322.00</td>
<td>2020 Wester Star</td>
</tr>
<tr>
<td></td>
<td><strong>Deliver Days</strong></td>
<td></td>
<td></td>
<td>Int'l HV613</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 ea. 66,000 GVWR cab-chassis with installed 20-ton truck mounted hydraulic crane (single cab) complete</td>
<td>*</td>
<td>288,085.00</td>
<td>576,170.00</td>
<td>2020 Wester Star</td>
</tr>
<tr>
<td></td>
<td><strong>State Make and Model</strong></td>
<td></td>
<td></td>
<td>Int'l HV613</td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td>1 ea. 5-cubic yard, flameless asphalt repair/patch machine mounted on a 35,000 GVWR extended cab, cab-chassis to include a roller and spoil bins</td>
<td>*</td>
<td>183,000.00</td>
<td>193,917.00</td>
<td>Int'l HV607</td>
</tr>
<tr>
<td></td>
<td><strong>State Make and Model</strong></td>
<td></td>
<td></td>
<td>Freightliner</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Delivery Days</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.</td>
<td><strong>Terms</strong></td>
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</tr>
<tr>
<td></td>
<td>Net 30 days</td>
<td></td>
<td></td>
<td>Net 30 days</td>
<td>Net 30 days</td>
</tr>
</tbody>
</table>

**UNIT PRICE**

<table>
<thead>
<tr>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>MANUFACTURER MAKE AND MODEL</th>
<th>DELIVERY DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>256,322.00</td>
<td>256,322.00</td>
<td>2020 Wester Star</td>
<td>4700 w/crane</td>
</tr>
<tr>
<td>288,085.00</td>
<td>576,170.00</td>
<td>2020 Wester Star</td>
<td>4700 w/crane</td>
</tr>
<tr>
<td>183,000.00</td>
<td>193,917.00</td>
<td>Int'l HV607</td>
<td>M2-106</td>
</tr>
</tbody>
</table>

***LOW BIDDER***

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

- Doggett Freightliner of South TX
- Freightliner of SA
- Grande Ford
- Grande Truck Center
- Kenworth French Ellison Truck Center
- Rush Truck Center
- Sante Truck Center
- Demandstar
- SAWs Website

**240-300 days**

**250 days**

**180-330 ARO**
# SAN ANTONIO WATER SYSTEM

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

TABULATION OF BIDS

**PURCHASE OF VARIOUS TYPES OF MEDIUM DUTY TRUCKS**

**TIME & DATE:**
3:00 p.m., November 2, 2018

**ITEM:** DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th>UNIT PRICE</th>
<th>MAKE/Model</th>
<th>TOTAL</th>
<th>MAKE/Model</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>MAKE/Model</th>
<th>TOTAL</th>
<th>MAKE/Model</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>MAKE/Model</th>
<th>TOTAL</th>
<th>MAKE/Model</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 ea.</td>
<td>State Make, Model</td>
<td>Ram 3500 11,000 GVWR (minimum) two-wheel drive, extended cab truck with installed service body, per specifications 10,940,000.00</td>
<td>NO BID</td>
<td>51,032.00</td>
<td>Ford F350 49,927.00</td>
<td>Ford F350 1,009,550.00</td>
<td>19 ea.</td>
<td>State Make, Model</td>
<td>Ram 3500 11,000 GVWR (minimum) single rear wheel, 4x2 regular cab truck with installed service body &amp; 1,600 lbs. cap. Lift gate 113,200.00</td>
<td>NO BID</td>
<td>51,904.00</td>
<td>Ford F350 51,085.00</td>
<td>Ford F350 113,646.00</td>
<td></td>
</tr>
<tr>
<td>2 ea.</td>
<td>State Make, Model</td>
<td>Ram 3500 19.000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed reinforced utility body and a 6,000 lb. corner mounted crane 614,730.00</td>
<td>NO BID</td>
<td>51,032.00</td>
<td>Ford F350 49,927.00</td>
<td>Ford F350 1,009,550.00</td>
<td>19.000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 18' platform body with stake pockets 58,779.00</td>
<td>NO BID</td>
<td>5,600.00</td>
<td>Ford F350 56,503.00</td>
<td>Ford F350 57,446.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 ea.</td>
<td>State Make, Model</td>
<td>Ram 5500 25,000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 18' platform body with stake pockets 58,779.00</td>
<td>NO BID</td>
<td>5,600.00</td>
<td>Ford F350 56,503.00</td>
<td>Ford F350 57,446.00</td>
<td>25.000 GVWR cab-chassis, 4-door, crew-cab, 84&quot; CA truck with installed aluminum utility body and 2,000 lb. crane 58,779.00</td>
<td>NO BID</td>
<td>5,600.00</td>
<td>Ford F350 56,503.00</td>
<td>Ford F350 57,446.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 ea.</td>
<td>State Make, Model</td>
<td>Int'l M607 25.000 GVWR cab-chassis, 2-door, regular-cab, truck with installed 22' platform bed with stake pockets 58,779.00</td>
<td>NO BID</td>
<td>5,600.00</td>
<td>Ford F350 56,503.00</td>
<td>Ford F350 57,446.00</td>
<td>1 ea.</td>
<td>State Make, Model</td>
<td>Int'l M607 14,000 GVWR (minimum) 4x2 regular-cab, cab-chassis with installed 10' platform body with stake pockets and 2,000 lb powered lift-gate 58,779.00</td>
<td>NO BID</td>
<td>5,600.00</td>
<td>Ford F350 56,503.00</td>
<td>Ford F350 57,446.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30 days</td>
<td>Delivery Days 180-200 days</td>
<td>350 days</td>
<td>30 days</td>
<td>350 days</td>
<td>30 days</td>
<td>150-180 days</td>
<td>200 days</td>
</tr>
</tbody>
</table>

*LOW BIDDER*

**ITEM F AWARDED INFORMALLY ($55,000 - $100,000)**

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

- Alamo City Chevy
- Ancira Chrysler Jeep
- Ancira Motor Co.
- Bluebonnet Chrysl Dodge
- Bluebonnet Ford
- Caldwell Country Chev
- Freighliner of SA
- Grande Truck Center
- Jordan Ford
- Kenworth Freightliner
- Kyrgyz Truck Centers
- Lone Star Chrysler
- North Park Toyota
- Red McCombs Ford
- Sam Parks Five Star Ford
- Silsbee Ford
- Toyota of Boerne
- Demandstar
- SAWSS Website
- Specifications
**SAN ANTONIO WATER SYSTEM**
**P. O. BOX 2449**
**SAN ANTONIO, TEXAS  78298-2449**

**TABULATION OF BIDS**

**PROPOSAL**  Five Year Contract for Landfilling of Biosolids

**FOR:**  (February 6, 2018 through December 31, 2022)

**TIME & DATE:**  3:00 p.m., December 15, 2017

**ITEM NO.**  DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th>Year 1: February 6, 2018 - December 31 2018</th>
<th>UNIT PRICE/Wet Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>45,000 Wet Tons Biosolids Landfill Tipping and Hauling</td>
<td>37.23 1,675,350.00</td>
</tr>
</tbody>
</table>

**Terms**

<table>
<thead>
<tr>
<th>Delivery Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net 30 days</td>
</tr>
</tbody>
</table>

*LOW BIDDER*

**WILL RETURN TO THE BOARD FOR SUBSEQUENT YEARS FUNDING**

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

- Waste Management
- Synagro
- Republic Services
- Merrell Bros.
- BFI Waste System
- Demandstar
- SAWS Website
**SAN ANTONIO WATER SYSTEM**

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

- **FOR:** Biennial Contract for Portland Cement, Ready Mix (Quickrete) and Asphalt Cold Patch Bags
- **DATE:** (Date of Award through September 30, 2020)
- **TIME & PLACE:** 3:00 p.m., October 29, 2018

### 1. Portland Cement

- **Brand Name Product:** (SAWS Stock #10310)
- **Price:** 6.162.00
- **Vendor:** Alamo Portland #112442

### 2. Concrete, Ready Mix

- **Brand Name Product:** (SAWS Stock #10312)
- **Price:** 24.920.00
- **Vendor:** Quikrete #1101

### 3. Asphalt Cold Patch

- **Brand Name Product:** (SAWS Stock #44459)
- **Price:** 160,412.00
- **Vendor:** Oldcastle NVM

### 4. Concrete, Ready Mix Maximizer

- **Brand Name Product:** (SAWS Stock #49943)
- **Price:** 9,530.00
- **Vendor:** Sakrete #5050

### 5. Pallet Fee

- **Price:** 300.00
- **Vendor:** No Bid

**TOTAL ONE YEAR**

- **Price:** 160,412.00

**TOTAL TWO YEARS**

- **Price:** 320,824.00

**EXTENSION 1**

- **Price:** 160,412.00

**EXTENSION 2**

- **Price:** 160,412.00

**EXTENSION 3**

- **Price:** 160,412.00

**EXTENSION 4**

- **Price:** 160,412.00

**Terms**

- **Delivery Days:**
  - Net 30 days
  - Net 30 days
  - Net 30 days
  - 10 days
  - 7 days

**LOW BIDDER**

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

- AIW
- Core & Main
- Dittmar
- Fastenal
- Grainger
- HD Supply
- Hei-Way
- KLP Commercial, LLC

- Lynwood
- Mapa Distributors
- MSC Direct
- Mustang Equip
- Royall Matthiessen
- Sunbelt Mill Supply
- White Cap

- Demandstar
- SAWS Website
BID 19-18052
SABA SOFTWARE MAINTENANCE AND SUPPORT
SOLE SOURCE

Saba Software (Canada) Inc. (formerly, Halogen Software Inc.) ("Saba"). Software maintenance and support is a sole source of Saba.

System currently utilizes several modules from Saba Software that were implemented starting in 2010. These modules are used for employee performance management and evaluation.

Saba was selected through a competitive solicitation process in 2009. The software has been extensively configured and customized to meet System’s performance management process. The software is proprietary and is developed and sold solely by Saba Software, Inc.

The unique fit of Saba’s software with System’s needs, along with System’s existing investment with the software, makes this the only source for the necessary maintenance and support.

- System seeks approval to renew maintenance for Saba software.
- System seeks approval to change the HRIS Connect module from on premise to on-demand Hosting (cloud based).
- Current Maintenance price for January 1, 2019 – December 31, 2019 is $151,758.11.
- Award is for one year with two one-year options to extend.
- Option years include an estimated escalation of 4% per year.

<table>
<thead>
<tr>
<th>Years of Coverage</th>
<th>Description</th>
<th>Estimated Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yr 1: 01/01/19 – 12/31/19</td>
<td>Maintenance and Support</td>
<td>$151,758.11</td>
</tr>
<tr>
<td>Ext. Yr 2: 01/01/20 – 12/31/20</td>
<td>Maintenance and Support</td>
<td>$155,465.83</td>
</tr>
<tr>
<td>Ext. Yr 3: 01/01/21 – 12/31/21</td>
<td>Maintenance and Support</td>
<td>$161,401.87</td>
</tr>
</tbody>
</table>

*Option year prices include a 4% escalation. The escalation is estimated, and actual cost of future year’s maintenance will be paid.*
REQUEST FOR PROPOSAL FOR
DATA LOSS PREVENTION SOLUTION
SAWS BID NO: 18-18005

SUPPLEMENTARY COMMENTS:
Staff recommends that the contract be awarded to Forcepoint, LLC dba Internet Content Management, Inc. (ICM), a Non-Local/Non-SMWB firm, as the bidder who will provide the goods or services at the best value for the Water System based on the selection criteria set forth below. Price and other factors have been considered. In determining the “best value”, the Evaluation Criteria listed below have been considered and weighted as shown.

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

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

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Functionality, Usability, and Project Approach</td>
<td>35</td>
</tr>
<tr>
<td>b. References, Similar Prior Experience, Project Team, and Resumes</td>
<td>20</td>
</tr>
<tr>
<td>c. Compensation Proposal</td>
<td>30</td>
</tr>
<tr>
<td>d. Adherence to Small, Minority, Woman and Veteran Owned Business (SMWB) Participation (Exhibit “B” Good Faith Effort Plan)</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
</tr>
</tbody>
</table>

SAWS received proposals from the following companies:

<table>
<thead>
<tr>
<th>No.</th>
<th>Bidders Name</th>
<th>Annual Bid Amount</th>
<th>RFP Score</th>
<th>Local/ SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>*Forcepoint, LLC dba Internet Content Management, Inc. (ICM)</td>
<td>$124,910.00</td>
<td>252 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 1: $63,995.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 2: $66,400.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 3: $68,920.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 4: $71,565.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $395,790.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Creative Breakthroughs, Inc. dba CBI</td>
<td>$345,021.05</td>
<td>238 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 1: $57,907.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 2: $59,644.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 3: $61,434.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 4: $63,277.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $587,285.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Critical Start, Inc.</td>
<td>$107,314.00</td>
<td>221 points</td>
<td>Non-Local/ WBE - Caucasian</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 1: $91,080.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 2: $95,634.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 3: $100,416.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 4: $105,436.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $499,880.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>AT&amp;T Corp.</td>
<td>Annual Base Term: N/A</td>
<td>92 points</td>
<td>Local/ Non-SMWB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 1: N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 2: N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 3: N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext. 4: N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Proposer offering the best value.

1 of 2
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>REQUEST FOR PROPOSAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAWS BID NO. 18-18005</td>
</tr>
<tr>
<td>DATA LOSS PREVENTION SOLUTION</td>
</tr>
<tr>
<td>FORCPOINT, LLC DBA INTERNET CONTENT MANAGEMENT, INC. (ICM)</td>
</tr>
<tr>
<td>SMWB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE - Asian</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
</tr>
<tr>
<td>MBE - Other</td>
</tr>
<tr>
<td>WBE - Minority</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
</tr>
<tr>
<td>SMWB Total</td>
</tr>
</tbody>
</table>

PERIOD OF AWARD

Contract period shall begin on December 4, 2018 through December 3, 2019. The contract shall include four (4) additional one-year options to extend, renewable and paid for annually. In determining the best value, staff considered relevant criteria specifically listed in the request for bid. Staff has determined that Forcepoint, LLC dba Internet Content Management, Inc. (ICM) will provide services at the best value to System.
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
**TABULATION OF BIDS**

**PROPOSAL**  
Annual Contract for Isotonic Flavored Drinks  
FOR:  
*TIME* &  
(January 1, 2019 through December 31, 2019)  
**DATE:**  
3:00 p.m., September 14, 2018

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>EXTENSION</th>
<th>EXTENSION</th>
<th>EXTENSION</th>
<th>EXTENSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,210 cases</td>
<td>Gatorade G2 Size: 20 ounce bottles 24 bottles in a case of three flavors mixed, Lawson No. 42867</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td>16.77</td>
<td>104,141.70</td>
<td>104,141.70</td>
<td>104,141.70</td>
<td>104,141.70</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mfg. / Part No.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gatorade 579114-SSI 396043-GAT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>104,141.70</td>
<td>104,141.70</td>
<td>104,141.70</td>
<td>104,141.70</td>
<td></td>
</tr>
</tbody>
</table>

**EXTENSION 1**  
104,141.70

**EXTENSION 2**  
104,141.70

**EXTENSION 3**  
104,141.70

**Terms**  
2%  
10 days  
30 days

**Delivery Days**  
2-3 days

**LOW BIDDER**

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

- Accent Foods  
- Alamo Iron Works  
- Ben E. Keith Foods  
- Bullchase  
- Conney  
- Dawn Souliotis  
- Safety Supply, Inc.  
- SaFT-Glove, Inc.  
- Sunbelt Mill Supply  
- Demandstar  
- SAWS Website
## SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78228-2449
TABULATION OF BIDS

**Annual Contract for Elevator Maintenance for SAWs Locations**

** philarm: **

**(January 1, 2019 through December 31, 2019)**

**date: **3:00 p.m., September 21, 2018

### DESCRIPTION AND PURPOSE OF SERVICE

**GROUP 1: HEATING AND COOLING ELEVATOR**

<table>
<thead>
<tr>
<th>Monthly Inspection Heating and Cooling Elevator</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 12 Months Services of an independent Qualified Elevator Inspector (QEI) shall be reimbursed by SAWs to be billed and paid on an annual basis</td>
<td>130.00</td>
<td>1,560.00</td>
</tr>
<tr>
<td>2. TOTAL</td>
<td>100.00</td>
<td>180.00</td>
</tr>
<tr>
<td>3. 10 hours Emergency/Overtime Callbacks Individual</td>
<td>165.00</td>
<td>3,160.00</td>
</tr>
<tr>
<td>4. 10 hours Emergency or Overtime Callbacks Crews</td>
<td>295.00</td>
<td>295.00</td>
</tr>
</tbody>
</table>

**SUB TOTAL FOR GROUP 1**

| TOTAL | 6,260.00 | 11,840.00 | 6,950.00 | 10,322.00 | 23,394.00 |

**GROUP 2: EASTSIDE SERVICE CENTER ELEVATOR**

<table>
<thead>
<tr>
<th>Monthly Services Eastside Service Center</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 12 Months Services of an independent Qualified Elevator Inspector (QEI) shall be reimbursed by SAWs to be billed and paid on an annual basis</td>
<td>130.00</td>
<td>1,560.00</td>
</tr>
<tr>
<td>2. 1 Year</td>
<td>100.00</td>
<td>180.00</td>
</tr>
<tr>
<td>3. 10 Hours Emergency or Overtime Callbacks Individual</td>
<td>165.00</td>
<td>3,160.00</td>
</tr>
<tr>
<td>4. 10 Hours Emergency or Overtime Callbacks Crews</td>
<td>295.00</td>
<td>295.00</td>
</tr>
</tbody>
</table>

**SUB TOTAL FOR GROUP 2**

| TOTAL | 6,260.00 | 11,840.00 | 6,950.00 | 10,922.00 | 23,634.00 |

**GROUP 3: HILDEBRAND TANK ELEVATOR**

<table>
<thead>
<tr>
<th>Monthly Inspection Hildebrand Tank Elevator</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 12 months Services of an independent Qualified Elevator Inspector (QEI) shall be reimbursed by SAWs to be billed and paid on an annual basis</td>
<td>130.00</td>
<td>1,560.00</td>
</tr>
<tr>
<td>2. 1 Year</td>
<td>100.00</td>
<td>180.00</td>
</tr>
<tr>
<td>3. 10 Hours Emergency or Overtime Callbacks Individual</td>
<td>165.00</td>
<td>3,160.00</td>
</tr>
<tr>
<td>4. 10 Hours Emergency or Overtime Callbacks Crews</td>
<td>295.00</td>
<td>295.00</td>
</tr>
</tbody>
</table>

**SUB TOTAL FOR GROUP 3**

| TOTAL | 6,260.00 | 11,840.00 | 6,950.00 | 10,322.00 | 23,394.00 |

**GROUP 4: HEADQUARTERS TOWER I & II**

<table>
<thead>
<tr>
<th>Monthly Inspection Tower I</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Four 74 Traction Elevators</td>
<td>135.00</td>
<td>270.00</td>
</tr>
<tr>
<td>2. Two 74 Traction Elevators</td>
<td>260.00</td>
<td>430.00</td>
</tr>
<tr>
<td>3. One 74 Traction Elevators</td>
<td>135.00</td>
<td>270.00</td>
</tr>
<tr>
<td>4. Two 74 Traction Elevators</td>
<td>260.00</td>
<td>430.00</td>
</tr>
</tbody>
</table>

**TOTAL**

| TOTAL | 30,480.00 | 52,920.00 | 109,800.00 | 278,100.00 | 402,960.00 |

**DID NOT SUBMIT ADDENDUM**
SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

TABULATION OF BIDS

18-2037

SAWS Annual Contract for Elevator Maintenance for SAWS Locations
(January 1, 2019 through December 31, 2019)
3:00p.m., September 21, 2018

<table>
<thead>
<tr>
<th>GROUP 5: HEADQUARTERS TOWER I &amp; II</th>
<th>Vendor made a mistake on price quoted. Vendor will honor price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>10 hours Mechanic</td>
</tr>
<tr>
<td></td>
<td>10 hours Assistant</td>
</tr>
<tr>
<td></td>
<td>10 hours Team</td>
</tr>
<tr>
<td></td>
<td>Emergency or overtime callbacks - Mechanic</td>
</tr>
<tr>
<td></td>
<td>Emergency or overtime callbacks - Assistant</td>
</tr>
<tr>
<td></td>
<td>Emergency or overtime callbacks - Team</td>
</tr>
<tr>
<td>SUB TOTAL FOR GROUP 5</td>
<td>TOTAL 11,100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP 6: PURCHASE AND MATERIALS COMPENSATION SCHEDULE</th>
<th>Vendor made a mistake on price quoted. Vendor will honor price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Plus applies to all Purchased Parts</td>
<td>(a) Estimated Annual Purchase $80,000</td>
</tr>
<tr>
<td>(b) Add Cost Plus Mark Up 5% = Convert to decimal 0.05 x $80,000</td>
<td></td>
</tr>
<tr>
<td>(c) Total (a+b)</td>
<td>TOTAL 88,000.00</td>
</tr>
<tr>
<td>SUB TOTAL FOR GROUP 6</td>
<td>TOTAL 88,000.00</td>
</tr>
</tbody>
</table>

| GRAND TOTAL 1,2,3,4,5 & 6 | 148,360.00 |

| EXTENSION 1 | 148,360.00 |
| EXTENSION 2 | 148,360.00 |
| EXTENSION 3 | 148,360.00 |

| Terms | Net 30 days | Net 30 days | 2% 15 days | Net 30 days | 3% 30 days |

| Delivery Days | | | | | |

*BID LOW BIDDER

BID INVITATIONS WERE E-MAILED OR PICKED UP BY:

- Alamo Elevator
- AmerEx Elevator TX
- AVL Elevator dba Oracle Elevator Co.
- Elevator Enterprise
- EMR Elevator
- Home Elevator
- Kone Inc.
- KONE, Inc. 12017 Smartcenter San Antonio, TX 78247
- Thyssenkrupp Elevator 3600 Thousand Oaks Dr. San Antonio, TX 78241
- Demandstar
- SAWS Website
SUPPLEMENTARY COMMENTS:
Staff recommends that the contract be awarded to GC3 Specialty Chemicals, Inc. Non-Local/ WBE-Hispanic, as the bidder who will provide the services at the best value for the System based on the selection criteria set forth below. Price and other factors have been considered. In determining the “best value”, the Evaluation Criteria listed below have been considered and weighted as shown.

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

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

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Contractor’s Representation</td>
<td>10</td>
</tr>
<tr>
<td>b. Laboratory Support</td>
<td>15</td>
</tr>
<tr>
<td>c. Technical Support</td>
<td>10</td>
</tr>
<tr>
<td>d. Competency of Contractor</td>
<td>10</td>
</tr>
<tr>
<td>e. Compensation Proposal</td>
<td>40</td>
</tr>
<tr>
<td>f. Small, Minority, Woman and Veteran Owned Business (SMWB) Participation</td>
<td>15</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

System received proposals from the following companies:

<table>
<thead>
<tr>
<th>NO</th>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>RFP SCORE</th>
<th>LOCAL/ SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>* GC3 Specialty Chemicals, Inc</td>
<td>$100,197.60</td>
<td>367.00 points</td>
<td>Non-Local/ WBE Hispanic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 1: $100,197.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 2: $100,197.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 3: $100,197.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $400,790.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Coastline Ltd</td>
<td>$129,075.60</td>
<td>325.35 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 1: $129,075.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 2: $129,075.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 3: $129,075.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $387,226.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Southwest Engineers</td>
<td>$99,690.50</td>
<td>301.00 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 1: $99,690.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 2: $99,690.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ext 3: $99,690.50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Annual Contract For Water Treatment Chemicals and Services SAWS Bid No. 18-6014A

<table>
<thead>
<tr>
<th>VENDOR NAME: GC3 SPECIALTY CHEMICALS, INC.</th>
<th>SMWB ANALYSIS – BOARD AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Asian*</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE - Minority</td>
<td>15.00%</td>
</tr>
<tr>
<td>WBE - Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>15.00%</td>
</tr>
</tbody>
</table>

**PERIOD OF AWARD:**

Contract period shall begin on December 4, 2018 and shall end on September 30, 2019. The contract shall include three (3) additional one-year options to extend subject to future years budgets.

In determining the best value, staff considered relevant criteria specifically listed in the request for bid/proposal. Staff has determined that GC3 Specialty Chemicals, Inc. will provide services at the best value to System.
BID 18-14128
WATER CONSERVATION AUDITS
CITY OF FT. WORTH CONTRACT 18-0354

This is a new contract awarded utilizing a City of Fort Worth Contract for Industrial, Commercial and Institutional (ICI) Water Conservation Audits. The City of Fort Worth requested proposals for a professional auditing service, subsequently entered into a contract to Alan Plummer Associates, and that contract contains a cooperative purchasing clause.

Conserving water in the San Antonio region has been identified by the System as a cost-effective approach to managing water resources. One method of conservation is by the accurate tracking of water resources such as by performing water conservation audits for Industrial, Commercial and Institutional (“ICI”) users.

The City of Fort Worth, Texas, and the System have an Interlocal Agreement to pursue mutually beneficial and cooperative purchasing programs pursuant to the Interlocal Cooperation Act (Chapter 791.011 of the Texas Government Code) and Section 271.102 of the Texas Local Government Code, and thereby the System is eligible to purchase services under the contract between the City of Fort Worth, Texas, and Alan Plummer Associates, Inc.

Alan Plummer Associates, Inc, is a firm experienced in performing the type of audit needed, and is able to and desires to provide the service of ICI water conservation audits; and

The estimated not to exceed amount is $200,000.
Pricing from the City of Fort Worth Contract is as follows:

<table>
<thead>
<tr>
<th>18-0354 ATTACHMENT B</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY OF FORT WORTH WATER DEPARTMENT</td>
</tr>
<tr>
<td>CONTRACT ICI AUDITS</td>
</tr>
<tr>
<td>PROPOSAL COST SUMMARY</td>
</tr>
</tbody>
</table>

Prices based on stated required services and potential growth factors, pricing is quoted per task with assumption that 100 Task 2 audits, 50 Task 3 audits, 10 Task 4 audits and 75 Task 5 audits.

<table>
<thead>
<tr>
<th>Cost Task #1: Mobilization</th>
<th>Total per Task</th>
<th>Assumed No. of Audits Per Year</th>
<th>Total Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$300.00</td>
<td>100</td>
<td>$30,000.00</td>
<td></td>
</tr>
</tbody>
</table>

**Cost Task #2: Water Audits Interior: Base Cost per Audit**

<table>
<thead>
<tr>
<th>No. Fixtures</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>200.00</td>
</tr>
<tr>
<td>5 to 10</td>
<td>400.00</td>
</tr>
<tr>
<td>10 to 20</td>
<td>600.00</td>
</tr>
<tr>
<td>&gt;20</td>
<td>880.00</td>
</tr>
</tbody>
</table>

**Average Cost**

<table>
<thead>
<tr>
<th>Cost Task #2: Water Audits Interior: Base Cost per Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$520.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of Units</th>
<th>Institutional</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>400.00</td>
</tr>
<tr>
<td>25 to 50</td>
<td>800.00</td>
</tr>
<tr>
<td>50 to 100</td>
<td>1,000.00</td>
</tr>
<tr>
<td>&gt;100</td>
<td>2,000.00</td>
</tr>
</tbody>
</table>

**Average Cost**

<table>
<thead>
<tr>
<th>Cost Task #2: Water Audits Interior: Base Cost per Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$520.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Sq. Ft</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25,000</td>
<td>600.00</td>
</tr>
<tr>
<td>25K to 50K</td>
<td>1,200.00</td>
</tr>
<tr>
<td>50K to 100K</td>
<td>1,800.00</td>
</tr>
<tr>
<td>&gt;100K</td>
<td>2,200.00</td>
</tr>
</tbody>
</table>

**Average Cost**

<table>
<thead>
<tr>
<th>Cost Task #2: Water Audits Interior: Base Cost per Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,050.00</td>
</tr>
</tbody>
</table>

**Cost Task #3: Cooling Towers Initial Audits**

$1,200.00 | 50 | $18,000.00 |

**Cost Task #4: Cooling Towers Detailed Audits**

$1,800.00 | 10 | $18,000.00 |

**Cost Task #5: Irrigation System Audits**

$1,000.00 | 75 | $75,000.00 |

**Cost Task #6: Facilitating Technical Seminar Events**

1,500.00 | 5 | $4,500.00 |

**Standard Per Hour Rate for Additional Services**

$200.00 | 50 | $10,000.00 |
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE 2018 MANHOLE TO MANHOLE RELAY PACKAGE 1 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Pronto Sandblasting & Coating & Oilfield Services Co., Inc., a local, MBE-Hispanic firm, in the amount of $1,739,211.00 in connection with the 2018 Manhole to Manhole Relay Package 1 Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree for the 2018 Manhole to Manhole Relay Package 1 Project between the San Antonio Water System, the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This contract will be used to rehabilitate sewer mains that have been identified by the Operations Department in need of repair based on condition assessment throughout the city.

- This contract will be for the replacement of approximately 4,920 feet of 8-inch through 12-inch pipelines by open cut method. Additionally, manholes will be replaced.

- Pronto Sandblasting & Coating & Oilfield Services Co., Inc., has submitted the lowest responsible bid of $1,739,211.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $1,739,211.00 for wastewater related construction work under job number 18-4524.
SUPPLEMENTARY COMMENTS:

Pape-Dawson Engineers, LLC prepared the plans and specifications for this project. The engineer’s estimated construction cost is $2,000,000.00.

A bid opening was held on November 12, 2018 at 11:00 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>Pronto Sandblasting &amp; Coating &amp; Oilfield Services Co., Inc.*</td>
<td>$1,739,211.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Facilities Rehabilitation, Inc.</td>
<td>$1,796,340.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>R.L. Jones, L.P.</td>
<td>$1,836,152.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>T Construction LLC</td>
<td>$1,895,735.00</td>
<td>Non–Local/Non-SMWVB</td>
</tr>
<tr>
<td>Nerie Construction, LLC</td>
<td>$1,947,611.00</td>
<td>Non–Local/MBE–Hispanic</td>
</tr>
<tr>
<td>D. Guerra Construction, LLC</td>
<td>$1,959,909.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,000,000.00</td>
<td></td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 13.04 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>SBE</th>
<th>0.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>100.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
2018 Manhole to Manhole Relay Package 1 Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

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

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO PRONTO SANDBLASTING & COATING & OILFIELD SERVICES CO., INC. IN AN AMOUNT NOT TO EXCEED $1,739,211.00 IN CONNECTION WITH THE 2018 MANHOLE TO MANHOLE RELAY PACKAGE 1 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,739,211.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH PRONTO SANDBLASTING & COATING & OILFIELD SERVICES CO., INC., AND TO PAY PRONTO SANDBLASTING & COATING & OILFIELD SERVICES CO., INC. AN AMOUNT NOT TO EXCEED $1,739,211.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, this contract will be used to rehabilitate sewer mains in need of repair based on condition assessments; and

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

WHEREAS, Pronto Sandblasting & Coating & Oilfield Services Co., Inc., a local, MBE-Hispanic firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $1,739,211.00 for the project work; and

WHEREAS, System funds in the amount of $1,739,211.00 are required for the project work; and

WHEREAS, the total amount of $1,739,211.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Pronto Sandblasting & Coating & Oilfield Services Co., Inc. in an amount not to exceed $1,739,211.00 in connection with the 2018 Manhole to Manhole Relay Package 1 Project, (ii) to approve the expenditure of funds and make available an amount not to
exceed $1,739,211.00 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Pronto Sandblasting & Coating & Oilfield Services Co., Inc., and to pay Pronto Sandblasting & Coating & Oilfield Services Co., Inc. an amount not to exceed $1,739,211.00 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $1,739,211.00 is hereby awarded to Pronto Sandblasting & Coating & Oilfield Services Co., Inc., who is determined to be the lowest responsible bidder, in connection with the 2018 Manhole to Manhole Relay Package 1 Project.

2. That the expenditure of funds in an amount not to exceed $1,739,211.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Pronto Sandblasting & Coating & Oilfield Services Co., Inc., and to pay Pronto Sandblasting & Coating & Oilfield Services Co., Inc. an amount not to exceed $1,739,211.00 in connection with the 2018 Manhole to Manhole Relay Package 1 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 4\textsuperscript{th} day of December, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MULTIPLE SEWERSHED PACKAGE 8 – CIPP PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Cruz Tec, Inc., a local, MBE-Hispanic firm, in the amount of $1,640,880.97 in connection with the Multiple Sewershed Package 8 – CIPP Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree for the Multiple Sewershed Package 8 – CIPP Project between the San Antonio Water System, the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This contract will be used to rehabilitate sewer mains in need of repair based on condition assessment.

- This contract will be for the rehabilitation of approximately 5,601 feet of existing sanitary sewer mains ranging from 8-inch to 24-inch utilizing cured-in-place pipe method.

- Cruz Tec, Inc. has submitted the lowest responsible bid of $1,640,880.97.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $1,640,880.97 for wastewater related construction work under job number 17-4561.
SUPPLEMENTARY COMMENTS:

Maestas & Associates, LLC prepared the plans and specifications for the project. The engineer’s estimated construction cost is $1,695,883.88.

A bid opening was held on November 9, 2018 at 11:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruz Tec, Inc.*</td>
<td>$1,640,880.97</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,695,883.88</td>
<td></td>
</tr>
<tr>
<td>PM Construction &amp; Rehab, LLC dba IPR South Central LLC</td>
<td>$1,726,145.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Texas Pride Utilities, LLC</td>
<td>$2,303,059.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 3.24 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Multiple Sewershed Package 8 – CIPP Project</th>
<th>Cruz Tec, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
<td></td>
</tr>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>76.17%</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>76.17%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Multiple Sewershed Package 8 - CIPP Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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 CRUZ TEC, INC. IN AN AMOUNT NOT TO EXCEED $1,640,880.97 IN CONNECTION WITH THE MULTIPLE SEWERSHED PACKAGE 8 – CIPP PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,640,880.97 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH CRUZ TEC, INC., AND TO PAY CRUZ TEC, INC. AN AMOUNT NOT TO EXCEED $1,640,880.97 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, this contract will be used to rehabilitate sewer mains in need of repair based on condition assessment; and

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

WHEREAS, Cruz Tec, Inc., a local, MBE-Hispanic firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $1,640,880.97 for the project work; and

WHEREAS, System funds in the amount of $1,640,880.97 are required for the project work; and

WHEREAS, the total amount of $1,640,880.97 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 Cruz Tec, Inc. in an amount not to exceed $1,640,880.97 in connection with the Multiple Sewershed Package 8 – CIPP Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,640,880.97 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Cruz Tec, Inc., and to pay Cruz Tec, Inc. an amount not to exceed $1,640,880.97 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That a construction contract in an amount not to exceed $1,640,880.97 is hereby awarded to Cruz Tec, Inc., who is determined to be the lowest responsible bidder, in connection with the Multiple Sewershed Package 8 – CIPP Project.

2. That the expenditure of funds in an amount not to exceed $1,640,880.97 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Cruz Tec, Inc., and to pay Cruz Tec, Inc. an amount not to exceed $1,640,880.97 in connection with the Multiple Sewershed Package 8 – CIPP 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 4th day of December, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

Amy Hardberger, Secretary
AGENDA ITEM NO. 9

TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: APPROVAL OF CHANGE ORDER NO. 2 IN CONNECTION WITH THE EASTERN SEWERSHED PACKAGE IV PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 2 in the amount of $157,414.56 to the construction contract with SAK Construction, LLC, a local, non-SMWVB firm, in connection with the Eastern Sewershed Package IV Project.

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

- On June 5, 2018, the System’s Board of Trustees, by Resolution No. 18-137, authorized a construction contract with SAK Construction, LLC in an amount not to exceed $3,783,355.00 in connection with the Eastern Sewershed Package IV Project.

- The project will rehabilitate approximately 2.8 miles of existing 24-inch through 48-inch sewer mains using Cured-In-Place Pipe method. The project consists of four project locations throughout the eastern sewershed.

- Change Order No. 2, in the amount of $157,414.56, provides additional funds to the construction contract with SAK Construction, LLC for the costs associated with including two additional sewer segments to the project work. The work being requested under Change Order No. 2 includes the rehabilitation of approximately 606 feet of 36-inch sewer mains via Cured-In-Place Pipe method and the sewer main television inspection for these segments.

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.
Approval of Change Order No. 2
Eastern Sewershed Package IV

The amount is $157,414.56 for Change Order No. 2 and funds will be transferred from the 2018 Owner Controlled Construction Changes line item. The job number is 17-4527.

The authorizations for this project are as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 18-137)</td>
</tr>
<tr>
<td>Change Order No. 1</td>
</tr>
<tr>
<td>Proposed Change Order No. 2</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of all change orders is $3,940,769.56, which represents a 4.16 percent increase to the original contract amount.

Change Order No. 1 increased contract time by six days for a new completion date June 29, 2019. Change Order No. 2 will have no effect on the completion date for this contract. Completion date shall remain the same, June 29, 2019.

Gail Hamrick-Pigg, P.E.
Director
Pipelines

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

LEGEND

★ Project Location

EDWARDS AQUIFER RECHARGE ZONE

EASTERN SEWERSHED PACKAGE IV
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 2 IN AN AMOUNT NOT TO EXCEED $157,414.56 FOR THE ADDITIONAL PROJECT WORK IN CONNECTION WITH THE EASTERN SEWERSHED PACKAGE IV PROJECT; AMENDING RESOLUTION NO. 18-137 BY APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $157,414.56 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 2, AND TO PAY SAK CONSTRUCTION, LLC AN ADDITIONAL AMOUNT NOT TO EXCEED $157,414.56 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, on June 5, 2018, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution No. 18-137, authorized a construction contract with SAK Construction, LLC in the amount of $3,783,355.00 in connection with the Eastern Sewershed Package IV Project; and

WHEREAS, Change Order No. 2 is required to include two additional segments that are being bypass pumped to be rehabilitated via Cured-In-Place Pipe method; and

WHEREAS, negotiations between the System and SAK Construction, LLC resulted in an increase amount of $157,414.56 to the construction contract for Change Order No. 2 to include two additional sewer segments in need of repair; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 2 in an amount not to exceed $157,414.56 in connection with the Eastern Sewershed Package IV Project, (ii) to amend Resolution No. 18-137 by approving an additional amount not to exceed $157,414.56 from the 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. 2, and to pay SAK Construction, LLC an additional amount not to exceed $157,414.56 for the project work; now, therefore:

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

1. That Change Order No. 2 in an amount not to exceed $157,414.56 to the construction contract with SAK Construction, LLC in connection with the Eastern Sewershed Package IV
Project is hereby approved.

2. That Resolution No. 18-137 is hereby amended by approving an additional amount not to exceed $157,414.56 from the Project Fund for additional project work.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 2, and to pay SAK Construction, LLC an additional amount not to exceed $157,414.56 for 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 4th day of December, 2018.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees
FROM: Gail A. Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE BPC CENTRAL SMALL DIAMETER PACKAGE 1 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Garver, LLC, a local, non-SMWVB firm, and authorizes funds in the amount of $907,449.00 in connection with the BPC Central Small Diameter Package 1 Project (the “Project”).

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

- The Project will address a condition constraint in the central basin and is necessary to comply with the EPA Consent Decree. This project consists of rehabilitating approximately 9,064 feet of existing 8-inch to 18-inch sewer mains using cured-in-place pipe, pipe bursting, bore, and open cut method on multiple locations throughout the central basin.

- Basic services to be provided include design, bid phase, services during construction, and project closeout services. Basic services on this project total an amount not to exceed $427,439.

- Supplemental Services include but are not limited to, surveying, environmental, cultural, geotechnical, subsurface utility engineering, and other additional professional services. Total supplemental services on this project total an amount not to exceed $480,010.00.

- The total fee for engineering services is not to exceed $907,449.00.

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. The sewer work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $907,449.00 for sewer related engineering work. The job number is 18-4532.

SUPPLEMENTARY COMMENTS:

Twenty-three firms responded to the Request for Qualifications. Garver, LLC was selected through the System’s Architect and Engineer Selection Process as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Alan Plummer &amp; Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Brown &amp; Gay Engineers, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Big Red Dog Engineering</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>CDS Muery Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Cobb Fendley &amp; Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td><strong>Garver, LLC</strong>*</td>
<td><strong>Local/Non–SMWVB</strong></td>
</tr>
<tr>
<td>Garza EMC, LLC</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Gessner Engineering, LLC</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Gonzalez-De La Garza &amp; Associates, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Greg Gomez, Inc. dba GGI</td>
<td>Local/WBE–Hispanic</td>
</tr>
<tr>
<td>K Friese &amp; Associates, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>KCI USA, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>LNV Engineering &amp; Consultants</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Lockwood, Andrews &amp; Newnam, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Merrick &amp; Company</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Moreno Cardenas, Inc.</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Moy Tarin Ramirez Engineering</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>RE/SPEC, Inc. dba RESPEC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>RJN Group, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Eng., Inc.</td>
<td>Local/WBE–Asian</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm

Garver, LLC proposes to use the following sub-consultants for services on this contract:
Additionally, the overall SMWVB analysis is shown in the following table:

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

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

Andrea L.H. Beymer, P.E.  
Vice President  
Engineering and Construction
Award of Professional Services Contract
BPC Central Small Diameter Package 1 Project

APPROVED:

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

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDCING A PROFESSIONAL SERVICES CONTRACT TO GARVER, LLC IN AN AMOUNT NOT TO EXCEED $907,449.00 IN CONNECTION WITH THE BPC CENTRAL SMALL DIAMETER PACKAGE 1 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $907,449.00 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH GARVER, LLC, AND TO PAY GARVER, LLC AN AMOUNT NOT TO EXCEED $907,449.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAW GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to the BPC Central Small Diameter Package 1 Project (the “Project”); and

WHEREAS, the project engineering work will consist of all services necessary for the design and construction of the Project; and

WHEREAS, Garver, LLC, a local, non-SMWVB firm, was selected through the System’s Architect and Engineer Selection Process for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $907,449.00 is to be awarded to Garver, LLC; and

WHEREAS, the amount of $907,449.00 is available from the Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Garver, LLC in an amount not to exceed $907,449.00 in connection with the BPC Central Small Diameter Package 1 Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $907,449.00 from the Project Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Garver, LLC, and to pay...
Garver, LLC an amount not to exceed $907,449.00 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $907,449.00 is hereby awarded to Garver, LLC in connection with the BPC Central Small Diameter Package 1 Project.

2. That the expenditure of funds in an amount not to exceed $907,449.00 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Garver, LLC, and to pay Garver, LLC an amount not to exceed $907,449.00 for the project engineering work.

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

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless be and 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 4th day of December, 2018.

_________________________________  
Berto Guerra, Jr., Chairman  

ATTEST:

_________________________________  
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees
FROM: Gail A. Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE BPC CENTRAL SMALL DIAMETER PACKAGE 2 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Bain Medina Bain, Inc., a local, WBE-Caucasian firm, and authorizes funds in the amount of $261,164.00 in connection with the BPC Central Small Diameter Package 2 Project (the “Project”).

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

- The Project will address a condition constraint in the central basin and is necessary to comply with the EPA Consent Decree. This project consists of rehabilitating approximately 4,414 feet of 8-inch to 15-inch sewer mains using cured-in-place pipe, pipe bursting, and open cut method on multiple locations throughout central basin.

- Basic services to be provided include design, bid phase, services during construction, and project closeout services. Basic services on this project total an amount not to exceed $243,664.00.

- Supplemental Services include but are not limited to, surveying, environmental, cultural, geotechnical, subsurface utility engineering, and other additional professional services. Total supplemental services on this project total an amount not to exceed $17,500.00.

- The total fee for engineering services is not to exceed $261,164.00

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. The sewer work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $261,164.00 for sewer related engineering work. The job number is 18-4533.

SUPPLEMENTARY COMMENTS:

Twenty-three firms responded to the Request for Qualifications. Bain Medina Bain, Inc. was selected through the System’s Architect and Engineer Selection Process as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
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<td><strong>Local/WBE–Caucasian</strong></td>
</tr>
<tr>
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<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Big Red Dog Engineering</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>CDS Muery Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Cobb Fendley &amp; Associates, Inc.</td>
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<tr>
<td>Garver, LLC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garza EMC, LLC</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Gessner Engineering, LLC</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Gonzalez-De La Garza &amp; Associates, Inc.</td>
<td>Local/WBE–Hispanic</td>
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<tr>
<td>Greg Gomez, Inc. dba GGI</td>
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<td>K Friese &amp; Associates, Inc.</td>
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</tr>
<tr>
<td>LNV Engineering &amp; Consultants</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Lockwood, Andrews &amp; Newnam, Inc.</td>
<td>Local/Non–SMWVB</td>
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<td>Merrick &amp; Company</td>
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<td>Moreno Cardenas, Inc.</td>
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<td>Moy Tarin Ramirez Engineering</td>
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<tr>
<td>RE/SPEC, Inc. dba RESPEC</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>RJN Group, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Eng., Inc.</td>
<td>Local/WBE–Asian</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm

Bain Medina Bain, Inc. proposes to use the following sub-consultants for services on this contract:
BPC Central Small Diameter Package 2 Project

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mendez Engineering, PLLC</td>
<td>8.29%</td>
<td>Local/MBE–Hispanic/Veteran</td>
</tr>
<tr>
<td>Terracon Consultants, Inc.</td>
<td>19.50%</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Underground Services, Inc. dba SoftDig</td>
<td>4.78%</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>2.00%</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>10.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>85.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>97.00%</td>
</tr>
</tbody>
</table>

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

APPROVED:

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

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO BAIN MEDINA BAIN, INC. IN AN AMOUNT NOT TO EXCEED $261,164.00 IN CONNECTION WITH THE BPC CENTRAL SMALL DIAMETER PACKAGE 2 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $261,164.00 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH BAIN MEDINA BAIN, INC., AND TO PAY BAIN MEDINA BAIN, INC. AN AMOUNT NOT TO EXCEED $261,164.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to the BPC Central Small Diameter Package 2 Project (the “Project”); and

WHEREAS, the project engineering work will consist of all services necessary for the design and construction of the Project; and

WHEREAS, Bain Medina Bain, Inc., a local, WBE-Caucasian firm, was selected through the System’s Architect and Engineer Selection Process for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $261,164.00 is to be awarded to Bain Medina Bain, Inc.; and

WHEREAS, the amount of $261,164.00 is available from the Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Bain Medina Bain, Inc. in an amount not to exceed $261,164.00 in connection with the BPC Central Small Diameter Package 2 Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $261,164.00 from the Project Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Bain Medina Bain,
Inc., and to pay Bain Medina Bain, Inc. an amount not to exceed $261,164.00 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $261,164.00 is hereby awarded to Bain Medina Bain, Inc. in connection with the BPC Central Small Diameter Package 2 Project.

2. That the expenditure of funds in an amount not to exceed $261,164.00 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Bain Medina Bain, Inc., and to pay Bain Medina Bain, Inc. an amount not to exceed $261,164.00 for the project engineering work.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day of December, 2018.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________________
Amy Hardberger, Secretary
AGENDA ITEM NO. 12

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: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE BPC CENTRAL LARGE DIAMETER PACKAGE 1

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to K Friese & Associates, Inc., and authorizes funds in the amount of $1,171,742.00 in connection with the BPC Central Large Diameter Package 1 Project (the “Project”).

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

- The Project will address a condition constraint in the central basin and is necessary to comply with the EPA Consent Decree. This project consists of rehabilitating approximately 14,010 feet of existing 24-inch to 60-inch sewer mains at multiple locations throughout central basin.

- A Request for Qualifications was issued on September 19, 2018. A total of 15 firms submitted statements of qualifications in response to this solicitation. K Friese & Associates, Inc., was selected based on the System’s Architect and Engineer Selection Process.

- Basic services to be provided include design, bid phase, construction phase, and project closeout services related to the Project. Basic services on this project total an amount not to exceed $831,742.00.

- Supplemental Services include but are not limited to, surveying, environmental, cultural, geotechnical, subsurface utility engineering, and other additional professional services. Total supplemental services on this project total an amount not to exceed $340,000.00.

- The total fee for engineering services is not to exceed $1,171,742.00.
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. The sewer work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $1,171,742.00 for sewer related engineering work. The job number is 18-4535.

**SUPPLEMENTARY COMMENTS:**

Fifteen firms responded to the Request for Qualifications. K Friese & Associates, Inc. was selected through the System’s Architect and Engineer Selection Process as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Alan Plummer &amp; Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Arcadis U.S., Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>CDS Muery Services Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garver, LLC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td><strong>K Friese &amp; Associates, Inc.</strong></td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Kimley-Horn and Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>LNV, Inc.</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Lockwood Andrews &amp; Newnam, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>RJN Group Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Rosin Group, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>RPS Infrastructure, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Engineers, Inc.</td>
<td>Local/WBE–Asian</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm

K Friese & Associates, Inc. proposed to use the following sub-consultants for services on this contract:
Award of Professional Services Contract  
BPC Central Large Diameter Package 1

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garcia Infrastructure Consultants, LLC</td>
<td>10.00%</td>
<td>Local/WBE–Hispanic</td>
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<tr>
<td>Kimley-Horn &amp; Associates, Inc.</td>
<td>15.00%</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>Construct Ability, LLC</td>
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<tr>
<td>Structural Engineering Associates, Inc.</td>
<td>2.00%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Vickrey Associates, Inc.</td>
<td>5.00%</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Underground Services, Inc. dba SoftDig</td>
<td>3.00%</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Raba Kistner, Inc.</td>
<td>5.00%</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>BPC Central Large Diameter Package 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>K Friese &amp; Associates, Inc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td>SMWVB Total</td>
</tr>
</tbody>
</table>

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

Andrea L.H. Beymer, P.E.  
Vice President  
Engineering and Construction
Award of Professional Services Contract
BPC Central Large Diameter Package 1

APPROVED:

[Signature]

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO K FRIESE & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED $1,171,742.00 IN CONNECTION WITH BPC CENTRAL LARGE DIAMETER PACKAGE 1; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,171,742.00 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH K FRIESE & ASSOCIATES, INC., AND TO PAY K FRIESE & ASSOCIATES, INC. AN AMOUNT NOT TO EXCEED $1,171,742.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to the BPC Central Large Diameter Package 1 Project (the “Project”), and

WHEREAS, the project engineering work will consist of all services necessary for the design and construction of the Project; and

WHEREAS, K Friese & Associates, Inc., a local, WBE-Caucasian, firm, was selected through the System’s Architect and Engineer Selection Process for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $1,171,742.00 is to be awarded to K Friese & Associates, Inc.; and

WHEREAS, the amount of $1,171,742.00 is available from the Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to K Friese & Associates, Inc. in an amount not to exceed $1,171,742.00 in connection with BPC Central Large Diameter Package 1, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,171,742.00 from the Project Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with K Friese &
Associates, Inc., and to pay K Friese & Associates, Inc. an amount not to exceed $1,171,742.00 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $1,171,742.00 is hereby awarded to K Friese & Associates, Inc. in connection with the BPC Central Large Diameter Package 1

2. That the expenditure of funds in an amount not to exceed $1,171,742.00 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with K Friese & Associates, Inc., and to pay K Friese & Associates, Inc. an amount not to exceed $1,171,742.00 for the project engineering work.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day of December, 2018.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE BPC EAST/WEST SMALL DIAMETER PACKAGE 1 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Cobb Fendley & Associates, Inc., a local, non-SMWVB firm, and authorizes funds in the amount of $397,991.00 in connection with the BPC East/West Small Diameter Package 1 Project (the “Project”).

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

- The Project will address a condition constraint in the east and west basins and is necessary to comply with the EPA Consent Decree. This project consists of rehabilitating approximately 5,222 feet of 8-inch to 18-inch sewer mains using cured-in-place pipe, pipe bursting, and open cut method on multiple locations throughout east and west basins.

- Basic services to be provided include design, bid phase, services during construction, and project closeout services. Basic services on this project total an amount not to exceed $276,278.00.

- Supplemental Services include but are not limited to, surveying, environmental, cultural, geotechnical, subsurface utility engineering, and other additional professional services. Total supplemental services on this project total an amount not to exceed $121,713.00.

- The total fee for engineering services is not to exceed $397,991.00.

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. The sewer work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $397,991.00 for sewer related engineering work. The job number is 18-4534.

SUPPLEMENTARY COMMENTS:

Twenty-three firms responded to the Request for Qualifications. Cobb Fendley & Associates, Inc. was selected through the System’s Architect and Engineer Selection Process as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Alan Plummer &amp; Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Brown &amp; Gay Engineers, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Big Red Dog Engineering</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>CDS Muery Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Cobb Fendley &amp; Associates, Inc.*</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garver, LLC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garza EMC, LLC</td>
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<td>Gessner Engineering, LLC</td>
<td>Local/WBE–Caucasian</td>
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<tr>
<td>Gonzalez-De La Garza &amp; Associates, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Greg Gomez, Inc. dba GGI</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>K Friese &amp; Associates, Inc.</td>
<td>Local/WBE–Caucasian</td>
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<tr>
<td>KCI USA, Inc.</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>LNV Engineering &amp; Consultants</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Lockwood, Andrews &amp; Newnam, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Merrick &amp; Company</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Moreno Cardenas, Inc.</td>
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<tr>
<td>Moy Tarin Ramirez Engineering</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>RE/SPEC, Inc. dba RESPEC</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>RJN Group, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Eng., Inc.</td>
<td>Local/WBE–Asian</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm

Cobb Fendley & Associates, Inc. proposes to use the following sub-consultants for services on this contract:
Award of Professional Services Contract
BPC East/West Small Diameter Package 1

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arias &amp; Associates, Inc.</td>
<td>8.58%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Garcia Infrastructure Consultants, LLC</td>
<td>9.27%</td>
<td>Local/WBE–Hispanic</td>
</tr>
<tr>
<td>Kimley-Horn and Associates, Inc.</td>
<td>6.86%</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>Medina Consulting Company, Inc.</td>
<td>2.38%</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>R.H. Shackelford, Inc.</td>
<td>3.50%</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
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<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>8.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
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<tr>
<td>WBE – Minority</td>
<td>17.00%</td>
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<tr>
<td>WBE – Non–Minority</td>
<td>3.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>40.00%</td>
</tr>
</tbody>
</table>

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction
Award of Professional Services Contract
BPC East/West Small Diameter Package 1

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO COBB FENDLEY & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED $397,991.00 IN CONNECTION WITH THE BPC EAST/WEST SMALL DIAMETER PACKAGE 1 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $397,991.00 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH COBB FENDLEY & ASSOCIATES, INC., AND TO PAY COBB FENDLEY & ASSOCIATES, INC. AN AMOUNT NOT TO EXCEED $397,991.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to the BPC East/West Small Diameter Package 1 Project (the “Project”); and

WHEREAS, the project engineering work will consist of all services necessary for the design and construction of the Project; and

WHEREAS, Cobb Fendley & Associates, Inc., a local, non-SMWVB firm, was selected through the System’s Architect and Engineer Selection Process for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $397,991.00 is to be awarded to Cobb Fendley & Associates, Inc.; and

WHEREAS, the amount of $397,991.00 is available from the Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Cobb Fendley & Associates, Inc. in an amount not to exceed $397,991.00 in connection with the Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $397,991.00 from the Project Fund for the project engineering
work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Cobb Fendley & Associates, Inc., and to pay Cobb Fendley & Associates, Inc., Inc. an amount not to exceed $397,991.00 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $397,991.00 is hereby awarded to Cobb Fendley & Associates, Inc. in connection with the Project.

2. That the expenditure of funds in an amount not to exceed $397,991.00 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Cobb Fendley & Associates, Inc., and to pay Cobb Fendley & Associates, Inc. an amount not to exceed $397,991.00 for the project engineering work.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day of December, 2018.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE MULTIPLE SEwershed PACKAGE 12 PROJECT

Board Action Date: December 04, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Lockwood, Andrews & Newnam, Inc., a local, non-SMWVB firm, and authorizes funds in the amount of $361,189.00 in connection with the Multiple Sewershed Package 12 Project (the “Project”).

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

- The Project will address poor condition mains within the System’s infrastructure and is necessary to comply with the EPA Consent Decree. This project consists of replacing approximately 2,995 feet of 8-inch to 12-inch sewer mains using open cut method on multiple locations throughout the sewershed.

- Basic services to be provided include design, bid phase, services during construction, and project closeout services. Basic services on this project total an amount not to exceed $195,946.00.

- Supplemental Services include but are not limited to, surveying, environmental, cultural, geotechnical, subsurface utility engineering, and other additional professional services. Total supplemental services on this project total an amount not to exceed $165,243.00.

- The total fee for engineering services is not to exceed $361,189.00.

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. The sewer work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $361,189 for sewer related engineering work. The job number is 18-4531.

SUPPLEMENTARY COMMENTS:

Twenty-three firms responded to the Request for Qualifications. Lockwood, Andrews & Newnam, Inc. was selected through the System’s Architect and Engineer Selection Process as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Alan Plummer &amp; Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Brown &amp; Gay Engineers, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Big Red Dog Engineering</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>CDS Muery Services, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Cobb Fendley &amp; Associates, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garver, LLC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garza EMC, LLC</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Gessner Engineering, LLC</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Gonzalez–De La Garza &amp; Associates, Inc.</td>
<td>Local/WBE–Hispanic</td>
</tr>
<tr>
<td>Greg Gomez, Inc. dba GGI</td>
<td>Local/WBE–Hispanic</td>
</tr>
<tr>
<td>K Friese &amp; Associates, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>KCI USA, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>LNV Engineering &amp; Consultants</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td><strong>Lockwood, Andrews &amp; Newnam, Inc.</strong>*</td>
<td><strong>Local/Non–SMWVB</strong></td>
</tr>
<tr>
<td>Merrick &amp; Company</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Moreno Cardenas, Inc.</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Moy Tarin Ramirez Engineering</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>RE/SPEC, Inc. dba RESPEC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>RJN Group, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Eng., Inc.</td>
<td>Local/WBE–Asian</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm
Lockwood, Andrews & Newnam, Inc. proposes to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garcia Infrastructure Consultants, Inc.</td>
<td>5.54%</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>HVJ South Central</td>
<td>6.98%</td>
<td>Local/MBE-Asian</td>
</tr>
<tr>
<td>J&amp;L Consulting</td>
<td>6.08%</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Moy Train Ramirez Engineers</td>
<td>10.73%</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>The Rios Group</td>
<td>11.09%</td>
<td>Local/WBE-Hispanic</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Multiple Sewershed Package 12 Project</th>
<th>SMWVB Analysis – Board Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>2.00%</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>13.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>5.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>15.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>5.00%</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
<td><strong>40.00%</strong></td>
</tr>
</tbody>
</table>

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

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

Robert R. Puente  
President/Chief Executive Officer

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

MULTIPLE SEWERSHED
PACKAGE 12

LEGEND
★ PROJECT LOCATIONS
EDWARDS AQUIFER RECHARGE ZONE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES AWARDING A PROFESSIONAL SERVICES
CONTACT TO LOCKWOOD, ANDREWS & NEWNAM,
INC. IN AN AMOUNT NOT TO EXCEED $361,189.00 IN
CONNECTION WITH THE MULTIPLE SEWERSHED
PACKAGE 12 PROJECT; APPROVING THE
EXPENDITURE OF FUNDS AND MAKING AVAILABLE
AN AMOUNT NOT TO EXCEED $361,189.00 FROM THE
PROJECT FUND FOR THE PROJECT ENGINEERING
WORK; AUTHORIZING THE PRESIDENT/CHIEF
EXECUTIVE OFFICER OR HIS DULY APPOINTED
DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES
CONTACT WITH LOCKWOOD, ANDREWS &
NEWNAM, INC., AND TO PAY LOCKWOOD, ANDREWS
& NEWNAM, INC. AN AMOUNT NOT TO EXCEED
$361,189.00 FOR THE PROJECT ENGINEERING WORK;
FINDING THE RESOLUTION TO HAVE BEEN
CONSIDERED PURSUANT TO THE LAWS GOVERNING
OPEN MEETINGS; PROVIDING A SEVERABILITY
CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional
ing engineering services (the “project engineering work”) related to the Multiple Sewershed Package
12 Project (the “Project”); and

WHEREAS, the project engineering work will consist of all services necessary for
the design and construction of the Project; and

WHEREAS, Lockwood, Andrews & Newnam, Inc., a local, non-SMWVB firm,
was selected through the System’s Architect and Engineer Selection Process for the project
engineering work; and

WHEREAS, a contract in an amount not to exceed $361,189.00 is to be awarded
to Lockwood, Andrews & Newnam, Inc.; and

WHEREAS, the amount of $361,189.00 is available from the Project Fund for the
project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award
a professional services contract to Lockwood, Andrews & Newnam, Inc. in an amount not to
exceed $361,189.00 in connection with the Multiple Sewershed Package 12 Project, (ii) to approve
the expenditure of funds and make available an amount not to exceed $361,189.00 from the Project
Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer
or his duly appointed designee to execute a professional services contract with Lockwood, Andrews & Newnam, Inc., and to pay Lockwood, Andrews & Newnam, Inc., an amount not to exceed $361,189.00 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $361,189.00 is hereby awarded to Lockwood, Andrews & Newnam, Inc. in connection with the Multiple Sewershed Package 12 Project.

2. That the expenditure of funds in an amount not to exceed $361,189.00 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Lockwood, Andrews & Newnam, Inc., and to pay Lockwood, Andrews & Newnam, Inc. an amount not to exceed $361,189.00 to for the project engineering work.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day of December, 2018.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE ARTESIA PUMP STATION IMPROVEMENTS PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Black & Veatch Corporation, a local, non-SMWVB firm, and authorizes funds in the amount of $1,299,463.00 in connection with the Artesia Pump Station Improvements Project (the “project”).

- The 2018 Capital Improvement Program includes the design for rehabilitation and upgrade of the Artesia Pump Station, located at 703 AT&T Center Parkway, east of downtown.

- The project will replace all electrical equipment including all wiring, switchgear, motor control center, associated high service and well pump controls, duct banks, SCADA, security equipment; lighting, security equipment, yard piping and valves, fluoride facility upgrade, access roadways, and related infrastructure requirements.

- Engineering design services will include civil, mechanical, structural, electrical, instrumentation and control, structural, preparation of design plans and specifications, assistance during construction including review of shop drawings and periodic field inspections construction inspection services for instrumentation, control, start-up project work, subsurface utility engineering, environmental, permitting, and associated civil site improvements.

- A Request for Qualifications was issued on July 17, 2018, for professional services for this project, and ten interest statements were received for the project. Black & Veatch Corporation was selected through the Architect and Engineer Selection Process.

- Black & Veatch Corporation will provide professional services for this project for the negotiated not to exceed amount of $1,299,463.00.

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. The project work is included in the Water Delivery Core Business, Artesia Pump Station Improvements budget line Item. The amount is $1,299,463.00 under job number 18-8604

SUPPLEMENTARY COMMENTS:

The firms that provided interest statements for this project are listed below:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadis US, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td><strong>Black &amp; Veatch Corporation</strong>*</td>
<td><strong>Local/Non–SMWVB</strong></td>
</tr>
<tr>
<td>Cleary Zimmerman Engineers, LLC</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>CP&amp;Y, Inc.</td>
<td>Local/MBE–Asian</td>
</tr>
<tr>
<td>Freese and Nichols, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Garver, LLC</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Grubb Engineering, Inc.</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Signature Automation LLC</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Stanley Consultants, Inc.</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Tetra Tech, Inc.</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm

Black & Veatch Corporation proposes to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gupta &amp; Associates, Inc.</td>
<td>20.00%</td>
<td>Local/MBE–Asian</td>
</tr>
<tr>
<td>Maestas &amp; Associates, LLC</td>
<td>15.00%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Signature Automation, LLC</td>
<td>5.00%</td>
<td>Local/MBE–Hispanic</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWVB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>Artesia Pump Station Improvements Project</th>
<th>Black &amp; Veatch Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
<td></td>
</tr>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>20.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>20.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>40.00%</td>
</tr>
</tbody>
</table>

Michael L. 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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO BLACK & VEATCH CORPORATION IN AN AMOUNT NOT TO EXCEED $1,299,463.00 IN CONNECTION WITH THE ARTESIA PUMP STATION IMPROVEMENTS PROJECT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $1,299,463.00 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH BLACK & VEATCH CORPORATION, AND TO PAY BLACK & VEATCH CORPORATION AN AMOUNT NOT TO EXCEED $1,299,463.00 FOR PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional services for design of the Artesia Pump Station Improvements Project (the “project”); and

WHEREAS, the System has solicited proposals for the required project engineering work in connection with the project; and

WHEREAS, the System’s Architect and Engineer Selection Committee has selected Black & Veatch Corporation to provide the required project engineering work in connection with the project; and

WHEREAS, Black & Veatch Corporation, a local, non-SMWVB firm, is deemed to be the most highly qualified provider of these engineering services on the basis of demonstrated competence and qualifications and for a fair and reasonable price; and

WHEREAS, Black & Veatch Corporation has submitted a proposal in an amount not to exceed $1,299,463.00 to provide the required project engineering work for the project; and

WHEREAS, System funds in an amount not to exceed $1,299,463.00 are required for the project engineering work; and

WHEREAS, the required amount not to exceed $1,299,463.00 is available from the Project Fund; and
WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to award a professional services contract to Black & Veatch Corporation in an amount not to exceed $1,299,463.00 in connection with the Artesia Pump Station Improvements Project, (ii) to approve the expenditure of funds in an amount not to exceed $1,299,463.00 from the Project Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Black & Veatch Corporation, and to pay Black & Veatch Corporation an amount not to exceed $1,299,463.00 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $1,299,463.00 is hereby awarded to Black & Veatch Corporation in connection with the Artesia Pump Station Improvements Project.

2. That the expenditure of funds in an amount not to exceed $1,299,463.00 from the Project Fund for the project engineering work is hereby approved.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Black & Veatch Corporation, and to pay Black & Veatch Corporation an amount not to exceed $1,299,463.00 for the project engineering work.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 4th day of December, 2018.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AUTHORIZATION AND APPROVAL OF LEASE AGREEMENT FOR WAREHOUSE STORAGE SPACE

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer or his duly appointed designee to negotiate and execute a lease agreement between the San Antonio Water System (SAWS) and Wetmore Vista Holdings, LP for a period of 60 months, in an amount not to exceed $277,456.27 to provide warehouse storage space for office furniture and various materials.

- SAWS currently leases 10,500 square feet of warehouse space from SL SA Industrial, LP at 3337 N. Pan Am Expressway, San Antonio, Texas. This lease will expire on December 31, 2018. SAWS staff desires to downsize the warehouse space and reduce overall expenses.

- SAWS desires to execute a Lease Agreement with Wetmore Vista Holdings, L.P. for use of warehouse storage space. The Center Park Blvd. facility will provide a secure location for warehouse storage and is located in close proximity to the SAWS Administrative Building.

- The terms are as follows:
  - Building: 4745 Center Park Blvd. San Antonio, Texas 78218
  - Leased Premises: Approximately 6,995 sq. ft.
  - One time Security Deposit: $3,987.15
  - Monthly Base Rent: $2,477.40/mo. (first 24 months)
  - Monthly Operating Expense: $1,218.30/mo. (estimated for first 12 months)
  - Term: 60 months, expiring December 9, 2023
• The annual base rental amount during this lease term is $32,715.95 (includes security deposit) for Year 1, $29,728.80 for Year 2, $31,477.56 for Year 3, $31,477.56 for Year 4, and $31,380.00 for Year 5, and the annual pro rata share of operating expenses is anticipated not to exceed $16,082.00 for Year 1, $19,298.40 for Year 2, $23,158.00 for Year 3, $27,790.00 for Year 4, and $33,348.00 for Year 5. The estimated totals are therefore:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 Total</td>
<td>$49,797.95</td>
</tr>
<tr>
<td>Year 2 Total</td>
<td>$49,027.20</td>
</tr>
<tr>
<td>Year 3 Total</td>
<td>$54,635.56</td>
</tr>
<tr>
<td>Year 4 Total</td>
<td>$59,267.56</td>
</tr>
<tr>
<td>Year 5 Total</td>
<td>$64,728.00</td>
</tr>
<tr>
<td>TOTAL 60 MONTH TERM:</td>
<td>$277,456.27</td>
</tr>
</tbody>
</table>

Staff recommends that the Board approve this Resolution.

FINANCIAL IMPACT:

The expenditures not to exceed $277,456.27 are needed over the 60-month term of the Lease Agreement. Expenditures made in Fiscal Years 2020 through 2023 are to be authorized from the System Fund (Company: 1000, Accounting Unit: 5020200, Account Code: 511211), subject to appropriation.

Bruce A. Haby
Manager
Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO NEGOTIATE AND EXECUTE A LEASE (THE “LEASE”) WITH WETMORE VISTA HOLDINGS L.P. FOR A TERM OF 60 MONTHS FOR APPROXIMATELY 6,995 SF OF WAREHOUSE STORAGE SPACE LOCATED AT 4745 CENTER PARK BLVD., SAN ANTONIO, TEXAS (THE “PREMISES”) FOR A TOTAL RENT AND ESTIMATED OPERATING EXPENSE AMOUNT NOT TO EXCEED $277,456.27 FOR THE 60-MONTH LEASE TERM, PROVIDED THAT EXPENDITURES IN FISCAL YEARS 2020 THROUGH 2023 SHALL BE PURSUANT TO AND CONTINGENT ON BOARD APPROVAL OF SUCH SUBSEQUENT YEARS’ BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; 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 System currently leases 10,500 square feet of warehouse space from SL SA Industrial, LP at 3337 N. Pan Am Expwy, San Antonio, Texas. The lease expires on December 31, 2018. System staff desires to downsize its warehouse space and reduce overall rent expenses by leasing a smaller warehouse space from Wetmore Vista Holdings, L.P.; and

WHEREAS, the 6,995 square foot warehouse property at 4745 Center Park Blvd., San Antonio, Texas (the “Premises”) will be used to store office furniture and various materials; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) authorize the President/Chief Executive Officer or his duly appointed designee to negotiate and execute a Lease, providing for a 60-month term with Wetmore Vista Holdings, L.P. for warehouse storage space located at the Premises, for a total amount not to exceed $277,456.27 for the 60-month term expiring December 9, 2023, (ii) authorize the expenditures from the System Fund in an amount not to exceed $6,659.33 for Fiscal Year 2018, $49,027.20 for Fiscal Year 2019 and expenditures in fiscal years 2020 through 2023 pursuant to and contingent on Board approval of such subsequent year’s budgets with a line item for such expenditures, and (iii) authorize the President/Chief Executive Officer or his duly appointed designee to pay an amount not to exceed $277,456.27 to Wetmore Vista Holdings, LP or its successors or assigns over the 60-month term, subject to approval of budgets for Fiscal Years 2020 through 2023; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to negotiate and execute a Lease with Wetmore Vista Holdings, LP providing for a 60-month term, in an amount not to exceed $277,456.27.

2. That the expenditures in an amount not to exceed $6,659.33 for Fiscal Year 2018, $49,027.20 for Fiscal Year 2019, annual expenditures in all subsequent years during the term are hereby authorized to be expended from the System Fund; provided that expenditures in Fiscal Years 2020 through 2023 be pursuant to and contingent on Board approval of such subsequent years’ budgets with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay an amount not to exceed $277,456.27 to Wetmore Vista Holdings, LP or its successors or assigns over the 60-month term, subject to approval of budgets for Fiscal Year 2020 through 2023.

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 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, operative 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. The resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day December, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AUTHORIZATION TO SETTLE LITIGATION AND EXPEND FUNDS FOR A TEMPORARY CONSTRUCTION EASEMENT FOR THE E-19: SEGUIN ROAD TO NACOGDOCHES ROAD – SEGMENT 2 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes settlement of litigation and the expenditure of funds in the amount of $7,000.00 to the landowner in Cause No. 2018-ED-0004 of the Probate Court No. 2 of Bexar County, Texas, in connection with the condemnation of a 0.208 acre temporary construction easement required for the E-19: Seguin Road to Nacogdoches Road – Segment 2 Project (the “Project”).

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

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

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

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

• On June 5, 2018, the Board approved Resolution No. 18-130 authorizing the System to pay the Owner the sum of $148,000.00 (the “Initial Payment”) for a Possession and Use Agreement enabling the System to take possession of the Easement necessary for the timely completion of the Project, pending further legal proceedings. The Possession and Use Agreement provided that the Initial Payment would represent a credit towards any future condemnation award in the case.

• To avoid further litigation, System and Owner have agreed to a settlement of the condemnation case in the amount of $155,000.00, which, with System receiving credit for the Initial Payment, results in a final payment to Owner of $7,000.00 (the “Settlement”).

• The System desires to authorize staff to pay funds in the amount of $7,000.00 to the Owner, allowing the System to maintain possession of the Easement, and further authorizing System’s legal counsel to take all necessary action to conclude the case in accordance with the Settlement.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. The Work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $7,000.00 to settle the litigation. The job number is 18-4502.

Bruce A. Haby
Manager
Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES AUTHORIZING SETTLEMENT OF LITIGATION AND EXPENDITURE FROM THE PROJECT FUND IN THE AMOUNT OF $7,000.00 IN LITIGATION BETWEEN THE SYSTEM AND JOHN J. TOOMEY, INDIVIDUALLY AND AS TRUSTEE OF THE TOOMEY BY-PASS TRUST AND TOOMEY-GUSEMAN FAMILY LP (THE “OWNER”) IN CONNECTION WITH THE ACQUISITION OF A TEMPORARY CONSTRUCTION EASEMENT CONTAINING APPROXIMATELY 0.208 OF AN ACRE (THE “EASEMENT”) FOR THE E-19: SEGUIN ROAD TO NACOGDOCHES ROAD – SEGMENT 2 (THE “PROJECT”); AUTHORIZING THE SYSTEM'S LEGAL COUNSEL TO TAKE ALL NECESSARY ACTION TO CONCLUDE THE LITIGATION; 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 Project was originally approved by the System’s Board of Trustees (the “Board”) on December 1, 2015, by Resolution No. 15-274; and

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

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

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

WHEREAS, the System filed Cause No. 2018-ED-0004, styled City of San Antonio, acting by and through the San Antonio Water System, Condemnor, v. John J. Toomey, Individually and as Trustee of the Toomey By-Pass Trust and Toomey-Guseman Family LP, Condemnee; in the Probate Court No. 2, Bexar County, Texas (the “Case”) to acquire the Easement; and
WHEREAS, on June 5, 2018, the Board approved Resolution No. 18-130 authorizing the System to pay the Owner the sum of $148,000.00 (the “Initial Payment”) for a Possession and Use Agreement enabling the System to take possession of the Easement, necessary for the timely completion of the Project, pending further legal proceedings. The Possession and Use Agreement provided that the Initial Payment would be a credit against any future condemnation award; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve a settlement (the “Settlement”) of the Case for the amount of $155,000.00 as total compensation for the Easement, which results in a final payment of the Owner of $7,000.00 (being the settlement amount less the Initial Payment), (ii) authorize the payment in the amount of $7,000.00 to the Owner from the Project Fund, and (iii) authorize the System’s attorneys to take all necessary action to conclude the Case in accordance with the Settlement; now, therefore:

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

1. That a settlement of the Case in the amount of $155,000.00 as total compensation for the Easement, resulting in a final payment to the Owner of $7,000.00, is hereby approved.

2. That the amount of $7,000.00, being the amount of the Settlement less the Initial Payment, is hereby authorized to be paid to the Owner from the Project Fund.

3. That the System’s legal counsel are hereby authorized to take all necessary action to conclude the Case in accordance with the Settlement.

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

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

6. This resolution shall take effect immediately upon its passage.
PASSED AND APPROVED this 4th day of December, 2018

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Sharon M. De La Garza, Vice President, Human Resources

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

SUBJECT: APPROVAL OF RECOMMENDATION FOR THE PROVISION OF COMMERCIAL INSURANCE COVERAGE

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves the recommendation of USI Insurance Services National, Inc. (USI Insurance Services), the San Antonio Water System’s (the “System”) Agent of Record, for insurance coverage for the System’s comprehensive commercial insurance program for the twelve-month period commencing December 31, 2018, and authorizes the payment for the premium plus premium adjustments for said insurance coverage in an amount not to exceed $1,109,967.00 to USI Insurance Services.

In renewing the various lines of coverage for the upcoming twelve-month period, USI Insurance Services:

- Obtained renewal quotes from the incumbent carrier on Drone Liability coverage;

- Solicited three carriers for quotes for Cyber Liability coverage, three carriers for quotes on Excess Workers’ Compensation, nine carriers for quotes on Property (Fire, Boiler and Machinery and Electronic Data Processing) Insurance, five carriers for quotes on Excess Liability, five carriers for quotes on Environmental Pollution Remediation & Legal Liability, and nine carriers for quotes on Public Officials and Employment Practices Liability coverage;

- Provided a cost summary and coverage analysis of the quotations received; and

- Provided a recommendation regarding award for coverage.

Current lines of insurance coverage are set to expire on December 31, 2018.

The attached resolution does not include agent of record fees, which are provided under separate contract with USI Insurance Services, which acquired Wells Fargo Insurance Service USA, Inc. as approved by the Board of Trustees in Resolution No. 16-166, dated June 14, 2016.

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

The total cost of the System's comprehensive commercial insurance program for the twelve-month period commencing December 31, 2018 is $1,109,967.00, which is comprised of the base cost of the premiums plus 5 percent for potential premium adjustments pending final year-end audits and/or location changes, i.e., additions/deletions during the year. The overall premiums is 4.91 percent more than the premiums paid in 2018. The costs of the various lines of insurance coverage including an analysis of changes from prior year premiums are shown in Attachment I.

The cost of the insurance program from December 31, 2018 through December 31, 2019 will be paid from the System Fund included in the 2019 budget (Company: 1000, Cost Center: 5020100, Account: 511570, Total 2019 Amount: $1,109,967.00).

Sharon M. De La Garza
Vice President, Human Resources

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachment:
I. FY 2019 Comprehensive Commercial Insurance Program Cost Summary
## FY2019 Comprehensive Commercial Insurance Program Cost Summary

### Lines of Coverage

<table>
<thead>
<tr>
<th>Lines of Coverage</th>
<th>Policy Term</th>
<th>Carrier</th>
<th>Limit</th>
<th>Self-insured Retention Limit</th>
<th>2018 Expiring Annual Premium</th>
<th>2019 Proposed Annual Premium</th>
<th>Premium Increase or Decrease %</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ Compensation &amp; Employer’s Liability</td>
<td>12/31/2018 - 12/31/2020</td>
<td>Midwest Employers Casualty Company</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$103,575</td>
<td>$96,644</td>
<td>-6.6%</td>
<td></td>
</tr>
<tr>
<td>General Liability</td>
<td>12/31/2018 - 12/31/2019</td>
<td>Allied World Assurance Company</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$67,841</td>
<td>$66,119</td>
<td>-2.5%</td>
<td></td>
</tr>
<tr>
<td>Fiduciary Legal Liability</td>
<td>12/31/2018 - 12/31/2019</td>
<td>Illinois National Insurance Company</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$29,215</td>
<td>$30,452</td>
<td>4.23%</td>
<td></td>
</tr>
<tr>
<td>Public Officials Liability</td>
<td>12/31/2018 - 12/31/2019</td>
<td>Illinois National Insurance Company</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$146,392</td>
<td>$145,375</td>
<td>-0.7%</td>
<td></td>
</tr>
<tr>
<td>Environmental Pollution Remediation &amp; Legal Liability</td>
<td>12/31/2018 - 12/31/2020</td>
<td>Zurich/Steadfast Insurance Company</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$157,776</td>
<td>$165,375</td>
<td>4.82%</td>
<td></td>
</tr>
<tr>
<td>Cyber Liability</td>
<td>12/31/2018 - 12/31/2019</td>
<td>Starr Indemnity and Liability Co</td>
<td>10% of Value</td>
<td>10% of Value</td>
<td>$960</td>
<td>$1,489</td>
<td>55.1%</td>
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<tr>
<td>Commercial Crime</td>
<td>12/31/2016 - 12/31/2019</td>
<td>Travelers</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$12,684</td>
<td>$13,097</td>
<td>3.26%</td>
<td></td>
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<tr>
<td><em>Sub-total:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,007,661</td>
<td>$1,057,111</td>
<td>4.91%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Premium Increase or Decrease %</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

### NOTES

1. The Workers’ Compensation premium is the first installment of a 2-year premium of $133,333.
2. The General Liability premium increased 4.23% from the expiring policy premium.
3. The Fiduciary Legal Liability premium increased 4.23% from the expiring policy premium.
4. The Public Officials’ Liability policy premium increased 3.46% from the expiring policy premium.
5. The Environmental Pollution Remediation & Legal Liability line of coverage is for a 2-year policy term (12/31/2018-12/31/2020). The 2-year premium of $165,375 will be paid at policy inception.
6. The Environmental Pollution Remediation & Legal Liability line of coverage is for a 2-year policy term (12/31/2018-12/31/2020). The 2-year premium of $165,375 will be paid at policy inception.
7. The Commercial Crime premium was based on a 3-year policy term (12/31/2016-12/31/2019). The premium was based on policy inception.
8. The Workers’ Compensation premium decreased 2.54% from the expiring policy premium.
9. The General Liability policy premium decreased 2.54% from the expiring policy premium.
10. The Fiduciary Legal Liability policy premium increased 4.23% from the expiring policy premium.
11. The Public Officials’ Liability policy premium increased 3.46% from the expiring policy premium.
12. The Environmental Pollution Remediation & Legal Liability line of coverage is for a 2-year policy term (12/31/2018-12/31/2020). The 2-year premium of $165,375 will be paid at policy inception.
13. The Commercial Crime premium was based on a 3-year policy term (12/31/2016-12/31/2019). The premium was based on policy inception.
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE RECOMMENDATION OF USI INSURANCE SERVICES NATIONAL, INC. FOR COMMERCIAL INSURANCE COVERAGE FOR THE TWELVE-MONTH PERIOD COMMENCING DECEMBER 31, 2018; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $1,109,967.00 FOR SUCH INSURANCE FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THROUGH USI INSURANCE SERVICES NATIONAL, INC. ALL NECESSARY DOCUMENTS, AND TO PAY USI INSURANCE SERVICES NATIONAL, INC. AN AMOUNT NOT TO EXCEED $1,109,967.00 FOR THE COST FOR SUCH INSURANCE COVERAGE; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) Board of Trustees has approved the System’s Comprehensive Commercial Insurance Program and related lines of insurance coverage as described in Attachment I to this resolution; and

WHEREAS, the System’s current contract on the various lines of insurance coverage for its Comprehensive Commercial Insurance Program will expire on December 31, 2018; and

WHEREAS, quotes were solicited, received, and compiled for the System’s Comprehensive Commercial Insurance Program through the services of an agent/broker, USI Insurance Services National, Inc.; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the recommendation of USI Insurance Services National, Inc. for the System’s Comprehensive Commercial Insurance Program for the twelve-month period commencing December 31, 2018 in an amount not to exceed $1,109,967.00, (ii) to authorize the expenditure in an amount not to exceed $1,109,967.00 from the System Fund for such insurance coverage, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the necessary documents through USI Insurance Services National, Inc., and to pay USI Insurance Services National, Inc., an amount not to exceed $1,109,967.00 for such insurance coverage; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD
OF TRUSTEES:

1. That the recommendation of USI Insurance Services National, Inc. for the System’s Comprehensive Commercial Insurance Program for the twelve-month period commencing December 31, 2018 in an amount not to exceed $1,109,967.00 is hereby approved.

2. That expenditures in an amount not to exceed $1,109,967.00 for such lines of insurance coverage are hereby made available and are to be expended from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to carry out acceptance of this recommendation, and to pay USI Insurance Services National, Inc. an amount not to exceed $1,109,967.00 for such lines of insurance coverage for the System for the twelve-month period commencing December 31, 2018.

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, Titles 4, Chapter 551, Government Code.

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day of December, 2018

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary
AGENDA ITEM NO.  ______

TO: San Antonio Water System Board of Trustees

FROM: Sharon De La Garza, Vice President, Human Resources

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

SUBJECT: AWARD OF SERVICES CONTRACTS WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES TO PROVIDE EMPLOYMENT SERVICES

Board Action Date: December 04, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the proposal of and authorizes the execution of new four-year services contracts with various temporary employment agencies to provide temporary worker services from January 1, 2019 through December 31, 2022, with two successive one-year term extensions. This resolution also authorizes funding in an amount not to exceed $2,053,100.00 to various agencies for the period of January 1, 2019 through December 31, 2019, to provide temporary employment services.

- San Antonio Water System (SAWS) solicited proposals for temporary employment services and received 25 responses.

- SAWS currently contracts the services of about 100 temporary workers per year, with an average of approximately 25-30 per month.

- Temporary employment workers are requested on an as-needed basis from the most appropriate agency based on the type of work required. Payment is made only upon actual use of the agencies.

- The temporary positions utilized through this resolution provide administrative support, field workers, and call center staffing. Additional temporary services will be added to support the Production Control System Upgrade (Job 16-6001).


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

Funds for the services to be provided during FY 2019 will be paid from System Funds budgeted in the 2019 Budget (Company: 1000, Center Number: various, Account: 511315, Total amount: $2,053,100.00).

Each department will fund the cost of temporary employees in their cost centers as services are utilized.

SUPPLEMENTARY COMMENTS:

SAWS selected from the following temporary agencies:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>22nd Century Technologies, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Acadia Workforce, Inc.</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Acara Solutions, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Burnett Specialists &amp; Choice Specialists</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Cogent Infotech Corporation*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Dependable Staffing</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Diskriter, Inc. *</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Hart Employment Services*</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Infojini, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>InGenesis, Inc. *</td>
<td>Local/WBE-Hispanic</td>
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<tr>
<td>Insight Global, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>IOS Acquisition, LLC</td>
<td>Non-Local/Non-SMWVB</td>
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<tr>
<td>LanceSoft, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>LeadingEdge Personnel*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Labor On Demand Inc. *</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Midtown Personnel Inc. *</td>
<td>Local/Non-SMWVB</td>
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<tr>
<td>Modis, Inc.</td>
<td>Local/Non-SMWVB</td>
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<tr>
<td>RADgov, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
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<tr>
<td>Soal Technologies, LLC</td>
<td>Non-Local/MBE-Asian</td>
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<tr>
<td>Sun Technologies, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Tri-Starr Personnel*</td>
<td>Local/WBE-Caucasian</td>
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<tr>
<td>True North Recruiting, LLC</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Tucker-Rose Associates, LLC*</td>
<td>Local/Non-SMWVB</td>
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<tr>
<td>VIP Staffing</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>vTech Solution, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firms
If any of the agencies fail to perform to the satisfaction of management, SAWS reserves the right to replace them with the next highest ranked agency that meets the necessary requirements.

Sharon De La Garza  
Vice President, Human Resources

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING SERVICES CONTRACTS WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES TO PROVIDE TEMPORARY WORKER SERVICES FOR THE SYSTEM FROM JANUARY 1, 2019 THROUGH DECEMBER 31, 2022, WITH TWO SUCCESSIVE ONE-YEAR TERM EXTENSIONS; AUTHORIZING FUNDS IN AN AMOUNT NOT TO EXCEED $2,053,100.00 TO BE EXPENDED IN FY2019 FROM THE SYSTEM FUND, AND THAT FUTURE YEARS’ EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEARS’ BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE SERVICES CONTRACT WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES FOR TEMPORARY WORKER SERVICES FROM JANUARY 1, 2019 THROUGH DECEMBER 31, 2022, AND TO PAY VARIOUS TEMPORARY EMPLOYMENT AGENCIES AN AMOUNT NOT TO EXCEED $2,053,100.00 FOR TEMPORARY WORKER SERVICES FOR FY2019; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) currently contracts with temporary employment agencies to provide temporary worker services for the System; and

WHEREAS, the System contracts the services of about 25 to 30 workers through various temporary employment agencies per year; and

WHEREAS, temporary employment workers are requested on an as-needed basis from the most appropriate agency and based on the type of work required. Payment is made only upon actual use of the agencies; and

WHEREAS, the current temporary employment agencies contracts will expire on December 31, 2018; and

WHEREAS, the estimated amount to be expended from the System Fund in 2019 is $2,053,100.00; however, the actual amount of this allocation may vary so long as the total amount is not exceeded; and
WHEREAS, the San Antonio Water system Board of Trustees desires (i) to award services contracts to various temporary employment agencies for the period of January 1, 2019 through December 31, 2022, with two successive one-year term extensions, (ii) to approve the expenditures for FY 2019 from the System Fund for temporary worker services, and that future years’ expenditures are pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute services contracts with various temporary employment agencies, and to pay an amount not to exceed $2,053,100.00 to various temporary employment agencies for temporary worker services from January 1, 2019 through December 31, 2019; now, therefore:

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

1. That services contracts are hereby awarded to various temporary employment agencies, listed on Attachment I, for the period of January 1, 2019 through December 31, 2022, with two successive one-year term extensions for temporary worker services.

2. That the estimated amount of $2,053,100.00 is hereby made available to be expended from the System Fund for temporary worker services from January 1, 2019 through December 31, 2019, and that future years’ expenditures are pursuant to and contingent upon Board approval of subsequent years’ budgets.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute services contracts with various temporary employment agencies for the period of January 1, 2019 through December 31, 2022, with two successive one-year term extensions, and to pay an amount not to exceed $2,053,100.00 to the temporary employment agencies for temporary worker services from January 1, 2019 through December 31, 2019.

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

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________________
Amy Hardberger, Secretary

Attachment:
I. Temporary Employment Agencies
Attachment I

Diskriter, Inc.
Tri-Starr Personnel
InGenesis, Inc.
Labor On Demand Inc.
Midtown Personnel Inc.
Cogent Infotech Corporation
Tucker-Rose Associates, LLC
Hart Employment Services
LeadingEdge Personnel
TO: San Antonio Water System Board of Trustees  
FROM: Sree Pulapaka, Vice President/Chief Information Officer  
THROUGH: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: AWARD OF SERVICES CONTRACTS WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES TO PROVIDE EMPLOYMENT SERVICES FOR INFORMATION SYSTEMS RELATED POSITIONS  

Board Action Date: December 4, 2018  

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the proposal of and authorizes the execution of a new four year contract with various temporary employment agencies to provide temporary worker services for Information Systems related positions from January 1, 2019 through December 31, 2022, with two successive one-year term extensions. This resolution also authorizes funding in an amount not to exceed $2,500,000.00 to various agencies for the period of January 1, 2019 through December 31, 2019 to provide temporary employment services for Information Systems related positions.

- San Antonio Water System (SAWS), on average, contracts the services of up to 20 workers through temporary employment agencies for Information Systems related positions to meet the demand for technology services.

- The current temporary employment contracts were executed in 2013 and will expire on December 31, 2018.

- IS leverages the temporary employment contracts to cover vacancies in hard-to-fill positions and to ensure business continuity.

- The temporary employment contract allow IS to acquire talent in a very competitive employment market.

- Temporary workers are requested on an as-needed basis from the most appropriate agency based on the type of work required. Payment is made only upon actual use of the agencies.

- SAWS issued a Request for Proposal (RFP) on July 3, 2018.

- By August 16, 2018, 42 firms responded to the RFP and were evaluated by the Technical Evaluation Committee.

- The 13 firms identified below were selected by the Technical Evaluation Committee as having the best overall proposal for SAWS based on past client satisfaction, caliber of resources, past experience with similar projects, compensation proposal, and SMWB participation.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

Funds for the services to be provided during FY 2019 will be paid from System and Project Funds budgeted in the 2019 Budget (Company: 1000, Center Number: Various, Account: Various, Total amount: $2,500,000.00).

Each department will fund the cost of temporary workers in their cost centers as services are utilized.

**SUPPLEMENTARY COMMENTS:**

SAWS selected from the following:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>22nd Century Technologies, Inc.*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Abacus Technical Services, LLC *</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Acara Solutions, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Adil Business Systems, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Amanda Andrews Personnel Corporation dba VIP Staffing and VIP Technology Consultants*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>AMER Technology Inc.</td>
<td>Local/MBE-Asian</td>
</tr>
<tr>
<td>Apex Systems, LLC*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Beacon Systems, Inc.*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Bridgewater Consulting Group, Inc.*</td>
<td>Local/MBE-AABE</td>
</tr>
<tr>
<td>Business Plan Solutions, LLC*</td>
<td>Non-Local/MBE-AABE</td>
</tr>
<tr>
<td>COGENT Infotech Corporation*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>ComTec Consultants Inc. DBA ComTec Information Systems</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Connecttel, Inc.</td>
<td>Non-Local/MBE-Asian</td>
</tr>
<tr>
<td>Dataman USA, LLC</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Diskriter, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>EKHP Consulting, LLC</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Global Visse Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>IDEAON</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Infojini, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Insight Global, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Judge Technical Services, Inc.*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>LanceSoft. Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Management Registry, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Midtown Personnel Inc.*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>
Award of Services Contracts
Temporary Employment Services

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location/Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Human Resource Group, Inc.*</td>
<td>Non-Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Nexus IT Group, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Object Technology Solutions, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Omega Solutions, Inc.*</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Peak Performers</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>RADgov, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>RFD &amp; Associates, Inc.</td>
<td>Non-Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Rhyian Technology Services LLC</td>
<td>Non-Local/MBE-Native American</td>
</tr>
<tr>
<td>SHIRO Technologies LLC</td>
<td>Non-Local/MBE-Asian</td>
</tr>
<tr>
<td>Sistema Technologies, Inc.*</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>SoftHQ, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Software Information Resource Corp</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Spruce Technology, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Stellargy Service, LLC</td>
<td>Non-Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Swift Strategic Solutions Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Trigyn Technologies, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Tri-Starr Personnel, LLC dba Tri-Starr Technology</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>vTech solution Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firms

If any of the agencies fail to perform to the satisfaction of management, SAWS reserves the right to replace them with the next highest ranked agency that meets the necessary requirements.

Sree Palapaka
Vice President/Chief Information Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING SERVICES CONTRACTS WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES (ATTACHMENT 1) TO PROVIDE TEMPORARY WORKER SERVICES FOR INFORMATION SYSTEMS RELATED POSITIONS FOR THE SYSTEM FROM JANUARY 1, 2019 THROUGH DECEMBER 31, 2022, WITH TWO SUCCESSIVE ONE-YEAR TERM EXTENSIONS; AUTHORIZING FUNDS TO BE EXPENDED IN FY 2019 FROM THE SYSTEM AND PROJECT FUNDS, AND THAT FUTURE YEARS’ EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEARS’ BUDGETS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE SERVICES CONTRACTS WITH VARIOUS TEMPORARY EMPLOYMENT AGENCIES FOR TEMPORARY WORKER SERVICES FOR INFORMATION SYSTEMS RELATED POSITIONS FROM JANUARY 1, 2019 THROUGH DECEMBER 31, 2022, AND TO PAY VARIOUS TEMPORARY EMPLOYMENT AGENCIES AN AMOUNT NOT TO EXCEED $2,500,000.00 FOR TEMPORARY WORKER SERVICES FOR INFORMATION SYSTEMS RELATED POSITIONS FOR FY 2019; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) currently contracts with temporary employment agencies to provide temporary worker services for Information Systems related positions; and

WHEREAS, the System, on average, contracts the services of up to 20 workers through temporary employment agencies for Information Systems related positions to meet the demand for technology services; and

WHEREAS, the current temporary employment agencies contracts will expire on December 31, 2018; and

WHEREAS, the estimated amount to be expended from the System and Project Funds in FY 2019 is $2,500,000.00; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award services contracts to various temporary employment agencies for Information Systems related positions for the period of January 1, 2019 through December 31, 2022, with two successive one-year extensions, (ii) to authorize the expenditures for FY 2019 from the System and Project Funds for temporary worker services for Information Systems related positions, and that future years’ expenditures are pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute services contracts with the various temporary employment agencies, and to pay an amount not to exceed $2,500,000.00 to the temporary employment agencies for temporary worker services for Information Systems related positions from January 1, 2019 through December 31, 2019; now, therefore:

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

1. That services contracts are hereby awarded to various temporary employment agencies, listed on Attachment I, for the period of January 1, 2019 through December 31, 2022, with two successive one-year term extensions for temporary worker services for Information System related positions.

2. That the amount of $2,500,000.00 is hereby made available to be expended from the System and Project Funds for temporary worker services for Information Systems related positions from January 1, 2019 through December 31, 2019, and that future years’ expenditures are pursuant to and contingent upon Board approval of subsequent years’ budgets.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute services contracts with various temporary employment agencies for Information Systems related positions for the period of January 1, 2019 through December 31, 2022, with two successive one-year term extensions, and to pay an amount not to exceed $2,500,000.00 to the temporary employment agencies for temporary worker services from January 1, 2019 through December 31, 2019.

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

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________________
Amy Hardberger, Secretary

Attachment:
I. Temporary Employment Agencies
Attachment I

Omega Solutions, Inc.
Amanda Andrews Personnel Corporation dba VIP Staffing and VIP Technology Consultants
22nd Century Technologies, Inc.
COGENT Infotech Corporation
Beacon Systems, Inc.
Sistema Technologies, Inc.
Midtown Personnel Inc.
Bridgewater Consulting Group, Inc.
Judge Technical Services, Inc.
Abacus Technical Services, LLC
Business Plan Solutions, LLC
Apex Systems, LLC
National Human Resource Group, Inc.
TO: San Antonio Water System Board of Trustees  
FROM: Douglas P. Evanson, Senior Vice President/Chief Financial Officer  
THROUGH: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: AUTHORIZING THE DESIGNATED SIGNATORIES FOR CERTAIN FINANCIAL TRANSACTIONS AND ACTIVITIES OF THE SAN ANTONIO WATER SYSTEM  

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution appoints individuals with authority to execute certain financial transactions at the financial institution's that have a contractual relationship with the San Antonio Water System (SAWS) and rescinds prior Resolution 17-271 approved on December 5, 2017, with respect to the foregoing signatories.

- Authorized signatories for the stated responsibilities will be:

<table>
<thead>
<tr>
<th>Name</th>
<th>Withdrawal or Disbursement of funds excluding Interest &amp; Sinking and Reserve Fund Accounts</th>
<th>Withdrawal or Disbursement of funds of Interest &amp; Sinking and Reserve Fund Accounts</th>
<th>Withdrawal of Documents and Instruments from safekeeping</th>
<th>Acceptance of, or change to collateral pledged to secure deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berto Guerra Jr.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Robert R. Puente</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Douglas P. Evanson</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Nancy I. Belinsky</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sharon M. De La Garza</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Donovan Burton</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mary E. Bailey</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Phyllis R. Garcia</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Randall Cardon</td>
<td>✓</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

- In addition, as Investment Officers of SAWS, Phyllis R. Garcia and Randall Cardon are authorized to provide instructions for the withdrawal or disbursement of funds of the Interest & Sinking and Reserve Fund Accounts for mutual funds and investment pools only.

- Disbursements by check from accounts other than the Interest and Sinking Fund Account and
the Reserve Fund Account shall have the signature of any one of the individuals listed above, provided, however, that any check issued in excess of $100,000.00 shall require dual signatures, one of which will include Robert R. Puente, Douglas P. Evanson, Nancy I. Belinsky, Sharon M. De La Garza, Donovan Burton, or Mary E. Baily.

- Electronic disbursements via wire or ACH issued in excess of $100,000.00 from accounts other than the Interest and Sinking Fund Account and the Reserve Fund Account shall have the signature of Robert R. Puente, Douglas P. Evanson, Nancy I. Belinsky, Sharon M. De La Garza, Donovan Burton, or Mary E. Baily.

- This action is required as changes have occurred on SAWS Board and SAWS staff.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

This resolution has no financial impact on any funds of SAWS.

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Signatures:

Douglas P. Evanson  
Senior Vice President/Chief Financial Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES PRESCRIBING AUTHORITY TO SIGN FOR
WITHDRAWALS FROM DEPOSITORY FUND ACCOUNTS,
PRESCRIBING AUTHORITY FOR WITHDRAWALS OF
DOCUMENTS FROM SAFEKEEPING, AND APPOINTING
REPRESENTATIVES WITH FULL AUTHORITY TO
EXECUTE COLLATERAL TRANSACTIONS IN
ACCORDANCE WITH CONTRACTS FOR GENERAL
DEPOSITORY SERVICES AND INVESTMENT SERVICES AS
APPROVED BY ACTIONS OF THE BOARD OF TRUSTEES;
AND THAT ALL PRIOR INSTRUCTIONS AND
RESOLUTIONS WITH RESPECT TO THE FOREGOING
SIGNATORIES ARE HEREBY RESCINDED; FINDING THE
RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT
TO THE LAWS GOVERNING OPEN MEETINGS;
PROVIDING A SEVERABILITY CLAUSE; AND
ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, it is necessary that the San Antonio Water System’s Board of Trustees
(the “Board”) appoint representatives with full authority to sign for withdrawals from the various
depository accounts established by City Ordinance No. 75686; and

WHEREAS, it is necessary that the Board appoint representatives with full authority
to sign for withdrawals of documents and instruments from safekeeping; and

WHEREAS, it is necessary that the Board appoint representatives with full authority
to accept, withdraw, or change collateral in accordance with said contracts; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to prescribe
authority to sign for withdrawals from depository fund accounts, (ii) to prescribe authority for
withdrawals of documents and investments from safekeeping, (iii) to appoint representatives with
full authority to execute collateral transactions in accordance with contracts for general depository
services and investment services as approved by actions of the Board, and (iv) to rescind all prior
instructions and resolutions with respect to the foregoing signatories; now, therefore:

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

1. That all funds in accounts other than "Interest and Sinking Fund Accounts" and "Reserve
Fund Accounts," established by Ordinance No. 75686 of the City of San Antonio, Texas, dated April
30, 1992, may from the effective date of this Resolution be withdrawn by checks or some form of
electronic medium (wires or ACH) of the San Antonio Water System and that checks are hereby
authorized to be signed either manually, or electronically by any one of the following persons:

Berto Guerra, Jr.
Robert R. Puente
Douglas P. Evanson
Nancy I. Belinsky
Sharon M. De La Garza
Donovan Burton
Mary E. Baily
Phyllis R. Garcia
Randall Cardon

provided, however, that any such checks, in excess of $100,000.00 drawn on such accounts, the payee of which is other than the San Antonio Water System or the City of San Antonio, shall require the signature of two of the foregoing, provided further, however, that one such signature shall be that of Robert R. Puente, Douglas P. Evanson, Nancy I. Belinsky, Sharon M. De La Garza, Donovan Burton, or Mary E. Baily and that wires and ACH disbursements issued in excess of $100,000.00 shall have the signature of Robert R. Puente, Douglas P. Evanson, Nancy I. Belinsky, Sharon M. De La Garza, Donovan Burton, or Mary E. Baily.

2. That funds in the "Interest and Sinking Fund Accounts" and "Reserve Fund Accounts" are hereby authorized to be withdrawn by check or some form of electronic medium (wire or ACH) of the San Antonio Water System as authorized by any one of the following persons:

Berto Guerra, Jr.
Robert R. Puente
Douglas P. Evanson
Nancy I. Belinsky
Sharon M. De La Garza
Donovan Burton
Mary E. Baily

3. That as Investment Officers of the San Antonio Water System, Phyllis R. Garcia and Randall Cardon are authorized to provide instructions on the withdrawal or disbursement of funds of the Interest & Sinking and Reserve Fund Accounts for mutual funds and investment pools only.

4. That securities or other documents of the San Antonio Water System held in safekeeping are hereby authorized to be withdrawn upon written instructions from either of the following persons:

Berto Guerra, Jr.
Robert R. Puente
Douglas P. Evanson
Nancy I. Belinsky
Sharon M. De La Garza
Donovan Burton
5. That the amount or type of collateral pledged as security for deposits of the San Antonio Water System are hereby authorized to be accepted, withdrawn, or changed upon written approval from either of the following persons:

   Berto Guerra, Jr.
   Robert R. Puente
   Douglas P. Evanson
   Nancy I. Belinsky
   Sharon M. De La Garza
   Donovan Burton
   Mary E. Baily

6. That an original written and signed copy of the authorization to change the amount or type of collateral is hereby authorized to be kept by the Treasurer of the San Antonio Water System as part of the Board's permanent financial records.

7. That all prior instructions and Resolutions with respect to the foregoing signatories be and are hereby rescinded.

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

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

10. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 4th day of December, 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees
FROM: Douglas P. Evanson, Senior Vice President/Chief Financial Officer
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AUTHORIZING REVISIONS TO THE INVESTMENT POLICY OF THE SAN ANTONIO WATER SYSTEM

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution revises the Investment Policy of the San Antonio Water System (SAWS). The Investment Policy provides a framework and guidance for the investment of funds pursuant to the City of San Antonio’s Ordinance No. 75686 and the Public Funds Investment Act (PFIA). The Investment Policy sets out the following investment objectives in order of priority of legality, safety, liquidity, diversification, and yield.

An annual review by the Board of Trustees is a requirement of the Investment Policy. Revisions to the Investment Policy are proposed to allow flexibility when investing SAWS funds while maintaining prudent investment practices and for clarification purposes. The proposed revisions include the following:

- Adding the individuals names of the current Investment Officers;
- Clarifying that Collateralized Mortgage Obligations are an authorized investment;
- Clarifying No-Load Money Market Mutual Funds and No-Load Mutual Fund investment parameters;
- Adding Texas TERM as an authorized investment pool;
- Updating the Investment Strategies for the SAWS funds; and
- Various layout and formatting changes

The resolution also approves the resolutions and agreements authorizing participation in investment pools authorized under the PFIA, to include Texas Class, LOGIC, and Texas TERM.

Exhibit A to the resolution contains the Investment Policy of SAWS.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Investment Policy provides the guidelines for the investment of SAWS funds. Revisions to the Investment Policy have no direct financial impact.
Douglas P. Evanson  
Senior Vice President/Chief Financial Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ADOPTING REVISIONS TO THE INVESTMENT POLICY OF THE SAN ANTONIO WATER SYSTEM PURSUANT TO THE CITY OF SAN ANTONIO’S ORDINANCE NO. 75686 AND THE PUBLIC FUNDS INVESTMENT ACT; DECLARING THAT THE REVISIONS TO THE INVESTMENT POLICY CONFORM TO THE REQUIREMENTS OF THE PUBLIC FUNDS INVESTMENT ACT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, it has been the practice of the San Antonio Water System (the “System”) to apply the highest standard of care to the investment of System funds; and

WHEREAS, this standard of care is reflected in the System’s Investment Policy currently in effect; and

WHEREAS, an annual review of the Investment Policy by the Board of Trustees is required by the Public Funds Investment Act (PFIA) and the Investment Policy; and

WHEREAS, the System desires to revise the Investment Policy in order to allow flexibility when investing System funds while maintaining prudent investment practices and for clarification purposes; and

WHEREAS, the following revisions to the Investment Policy are proposed:

- Adding the individual names of the current Investment Officers;
- Clarifying that Collateralized Mortgage Obligations are an authorized investment;
- Clarifying No-Load Money Market Mutual Funds and No-Load Mutual Fund investment parameters;
- Adding Texas TERM as an authorized investment pool;
- Updating the Investment Strategies for the SAWS funds; and
- Various layout and formatting changes; and

WHEREAS, by approval of this resolution, the resolutions and agreements authorizing participation in the following investment pools is approved, Texas Class, LOGIC, and Texas TERM; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to adopt revisions to the Investment Policy of the San Antonio Water System pursuant to the City of San
Antonio’s Ordinance No. 75686, and the Public Funds Investment Act, (ii) to declare that the revisions to the System’s Investment Policy conform to the requirements of the Public Funds Investment Act and any amendments thereto, and (iii) approve resolutions and agreements authorizing participation in the following investment pools, Texas Class, LOGIC, and Texas TERM; now, therefore:

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

1. That the revisions to the San Antonio Water System Investment Policy are in accordance with the City of San Antonio’s Ordinance No. 75686 and the Public Funds Investment Act are hereby approved and adopted as attached in Exhibit A.

2. That resolutions and agreements authorizing participation in the following investment pools is approved, Texas Class, LOGIC, and Texas TERM.

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

4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless be and 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 4th day of December, 2018.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Exhibit A – Investment Policy
San Antonio Water System
San Antonio, Texas

INVESTMENT POLICY
December 2018

1.0 INTRODUCTION
Fiduciary responsibility for the management and safeguarding of the San Antonio Water System’s (“SAWS”) monetary assets resides with the SAWS’ Finance Department. SAWS’ investment strategy for all investments is to ensure availability of funds to meet cash flow requirements, safeguard and preserve principal, maintain liquidity, practice security diversification, and maximize yield, all within the context of understanding the suitability of each investment and the cash flow requirements of SAWS.

The Investment Policy (the “Policy”) for SAWS encompasses a dynamic framework, which, under the direction and approval of the Board of Trustees (the “Board”), provides SAWS with the flexibility and control required to execute investment transactions and manage the investment portfolio. The Policy incorporates the investment guidelines and mandates promulgated in the Texas Public Funds Investment Act (the “Act”), as amended. Daily investment transactions and management of SAWS’ invested funds are the responsibility of SAWS’ designated Investment Officers within the Finance Department.

As prescribed by the Act, and as authorized by this Policy, pursuant to Board approval, SAWS’ designated Investment Officers include the Senior Vice President-Chief Financial Officer, Treasurer, and Manager – Treasury, currently Doug Evanson, Phyllis Garcia and Randall Cardon, respectfully.

2.0 POLICY STATEMENT
This policy is designed to serve as a guideline for the investment of all SAWS’ funds by the individuals designated by the Board of Trustees as having the authority and responsibility for making such investments. This policy reflects the concept that SAWS, by law, manages funds defined as public funds.

This policy serves to satisfy the statutory requirements of Texas Government Code Chapter 2256 of the Act, as amended to define and adopt a formal investment policy. This policy will be reviewed and approved by the Board at least annually according to Section 2256.005(e) of the Act.
Provisions of the Investment Policy are designed to be consistent with guidelines set forth in City Ordinance No. 75686 (the authorizing ordinance of SAWS) which discusses investment of funds under management and control of the Board and are designed to be within the limitations of the Act and any amendments thereto.

SAWS' funds shall be kept and/or invested until required for payment of operating and maintenance expenses, debt service, construction costs, or any other debt or amount rightfully due and owed by SAWS.

Investments shall be made with the primary objectives of (in order of priority):

- **Legality** - Funds of SAWS shall be invested in accounts or instruments that are provided for by law.
- **Safety** - Funds of SAWS shall not be invested in accounts or instruments which expose the assets of SAWS to undue or unreasonable risk.
- **Liquidity** - Funds of SAWS shall be invested in accounts or instruments that mature in such a manner that cash is provided as required to finance daily maintenance and operation expenditures, construction costs, or other asset acquisitions.
- **Diversification** - SAWS should attempt to reduce investment risk by participating in a variety of authorized investment instruments and financial institutions.
- **Yield** - Funds of SAWS shall be invested in accounts or instruments that ensure a competitive rate of return after considering all other objectives of the Investment Policy. Active portfolio management may be practiced to enhance portfolio yield without a resulting increase in risk.

When determining the term of an investment, market trends and economic conditions shall be recognized factors within the parameters of projected cash requirements.

3-0. **AUTHORITY FOR INVESTMENT**

Authority for the investment of funds of SAWS in accordance with this policy is placed with the Senior Vice President-Chief Financial Officer, Treasurer and Manager-Treasury.

4-0. **INVESTMENT TRAINING**

The Senior Vice President-Chief Financial Officer, Treasurer, and Manager - Treasury are the designated Investment Officers for SAWS. In order to ensure the quality and capability of investment management in compliance with the Act, SAWS shall provide periodic training in investments for the designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources. The Investment Officers of SAWS must comply with the following training requirements as required by the Act.

4-1. The Investment Officers must attend 10 hours of investment training within 12 months of taking office or assuming investment duties.

4-2. The Investment Officer must attend eight hours of investment training within a two year period that begins on the first day of SAWS's fiscal year and consists of the two consecutive fiscal years after that date. The Investment Officer's training must be from an independent source that relates to the Investment Officer's responsibilities and must comply with the Act. This training must include education in investment
controls, investment-related risks, portfolio diversification, and compliance with and defined by the Act.

4-3. The independent training source can be from, but is not limited to the following:
   • Government Treasurers Organization of Texas (GTOT)
   • Texas Municipal League (TML)
   • TEXPO
   • Government Finance Officers Association (GFOA)
   • Government Finance Officer Association of Texas (GFOAT)
   • Universities
   • Consulting Firms

5-0. **STANDARD OF CARE**

Investment Officers of SAWS who are related by blood or marriage within the second degree by affinity or consanguinity, or have a personal business relationship with a business organization offering to engage in an investment transaction with SAWS, shall file a statement disclosing that relationship or personal business interest with SAWS and the Texas Ethics Commission as required by the Act. Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the objectives stated in the Policy Statement. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds, or funds under SAWS’ control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment and whether the investment decision was consistent with the written approved investment policy of SAWS.

6-0. **PERMISSIBLE TYPES OF INVESTMENTS**

The Act, as subsequently amended, directs and authorizes specific investment parameters for the investment of public funds. Listed below are authorized investments by this statute and in which available funds of SAWS may be invested. Investment of SAWS’ funds in any instrument or security not authorized for investment under the Act and by this investment policy is prohibited.

 An Investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. SAWS shall take all prudent measures that are consistent with this policy to liquidate an investment that does not have the minimum rating.

6-1. Direct obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.

6-2. Direct obligations of the State of Texas or its agencies and instrumentalities.

6-2-6-3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed.
by an agency or instrumentality of the United States.

6-3.6-4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the United States or its agencies and instrumentalities or the State of Texas, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

6-4.6-5. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received not less than an "A" rating or its equivalent.

6-5.6-6. Certificates of Deposit and Share Certificates, where investments in certificates of deposit or share certificates are in accordance with the Act and meet the following criteria:

6-5.1.6-6.1. Certificates of deposit issued by depository institutions that have their main office or a branch office in the state of Texas that are:

6-5.1.1.6-6.1.1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor;

6-5.1.2.6-6.1.2. secured by obligations that are described by sections 6-1 through 6-54 above that have a market value of not less than the principal amount and accrued interest of the certificates;

6-5.1.3.6-6.1.3. secured in any other manner and amount provided by law for deposits of SAWS.

6-5.2.6-6.2. In addition to the authority to invest funds in certificates of deposit as stated above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment if:

6-5.2.1.6-6.2.1. the funds are invested by SAWS through a depository institution or an approved broker-dealer firm (as required under section 9-013-4) that (a) has its main office or a branch office in the State of Texas; (b) authorized to offer services through Certificates of Deposit Account Registry Service, ("CDARS"); and (c) is selected by SAWS;

6-5.2.2.6-6.2.2. the depository institution or the broker-dealer firm selected by SAWS arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, including out of state. Each of the certificates of deposit will be issued for the account of SAWS as the beneficial owner of the certificate of deposit;

6-5.2.3.6-6.2.3. the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; in effect the Federal Deposit Insurance Corporation ("FDIC"). Each certificate of deposit will be issued in an amount within the FDIC insurance coverage limit. The total amount of SAWS' investment will be allocated among a
number of financial institutions. SAWS' investment will thus be fully protected against the failure of any of the institutions issuing the certificates of deposit;

6-5.2.4-6.2.4. the depository institution selected by SAWS or a broker-dealer firm registered with the Securities and Exchange Commission and selected by SAWS shall act as custodian for SAWS with respect to the certificates of deposit issued for the account of SAWS with respect to the certificates of deposit. Under this provision, when the certificates of deposit issued by other institutions to SAWS mature, the payment of the principal and accrued interest will be made by those institutions through the selected depository institution in the state of Texas;

6-7. Interest-bearing banking deposits that are guaranteed or insured by:

6-7.1. the FDIC or its successor; or
6-7.2. the National Credit Union Share Insurance Fund or its successor; and

6-6.1. the FDIC or its successor; or
6-6.2. the National Credit Union Share Insurance Fund or its successor; and

6-5.4.6-7.3. Interest-bearing banking deposits other than those described in 6-7.1 and 6-7.2, if:

6-5.4.1.6-7.3.1. the funds invested in the banking deposits are invested through:

- a broker with a main office or branch office in the state of Texas that SAWS selects from an approved list; or
- a depository institution with a main office or branch office in the state of Texas that SAWS selects;

6-5.4.2.6-7.3.2. the broker or depository institution selected as described above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for SAWS' account;

6-5.4.3.6-7.3.3. the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and

6-5.4.4.6-7.3.4. SAWS appoints as the custodian of the banking deposits issued for SAWS:

- a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).

6-6.6-8. Commercial paper with a stated maturity of 270 days or less from its issuance that either:
A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:

- 6-7.6-9.1. has a defined termination date;
- 6-7.6-9.2. is secured by a combination of cash and obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- 6-7.6-9.3. requires the securities being purchased by SAWS or cash held by SAWS to be pledged to SAWS, held in SAWS' name, and deposited at the time the investment is made with SAWS or with a third party selected and approved by SAWS; and
- 6-7.6-9.4. is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

A repurchase agreement is a simultaneous agreement to buy, hold for a specific time, and sell back at a future date, obligations, including letters of credit, of the United States or its agencies and instrumentalities, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. A repurchase agreement includes a direct security repurchase agreement and a reverse security repurchase agreement.

Reverse repurchase agreements must not have a term to exceed 90 days. Money received under the terms of a reverse repurchase agreement may not be used to purchase any investment whose final maturity date exceeds the expiration date of the reverse.

6-10. A no-load money market mutual fund that:

6-10.1. Is registered with and regulated by the Securities and Exchange Commission;
6-10.2. provides SAWS with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
6-10.3. complies with federal Securities and Exchange Commission Rule 2a-7, promulgated under the Investment Company Act of 1940SEC-regulated and registered, no-load money market mutual fund with a dollar-weighted average stated maturity of 90 days or fewer, which includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

6-11. A no-load mutual fund that:

6-11.1. Is registered with the Securities and Exchange Commission;
6-11.2. has an average weighted maturity of less than two years; and either:
6-7.6-11.3. has a duration of one year or more and is invested exclusively in securities authorized by the Act, or has a duration of less than one year and
the investment portfolio is limited to investment grade securities, excluding asset-backed securities. No-load mutual funds, with a weighted average maturity of up to two years, are allowable as long as they are registered with the Securities and Exchange Commission. They must be invested exclusively in obligations authorized by the Act, and are continuously rated by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. Investments in this type of mutual fund may be no more than 15 percent of the total operating funds (excluding bond proceeds, reserves and debt service funds).

6-8.6-12. Banker’s Acceptance with a stated maturity of 270 days or less from its issuance that either:

6-8.6-12.1. will be, in accordance with its terms, liquidated in full at maturity; or
6-8.6-12.2. is eligible for collateral for borrowing from a Federal Reserve Bank; and
6-8.6-12.3. is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

6-9.6-13. Investment Pools, such as:

- TexPool
- TexPool Prime
- LOGIC
- TexStar
- Texas Class
- Texas TERM

where SAWS may invest its funds and funds under its control, through an eligible investment pool if the governing body of SAWS by resolution, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from SAWS in authorized investments as stated herein. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with the investment policies and objectives adopted by the investment pool. The investment pool shall invest funds it receives from SAWS in authorized investments as permitted by the Act and meets the following criteria:

6-9.6-13.1. An investment pool must furnish SAWS an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

6-9.6-13.1.1. the types of investments in which money is allowed to be invested;
6-9.6-13.1.2. the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
6-9.6-13.1.3. the maximum stated maturity date any investment
security within the portfolio has;
6-9.1.4.6-13.1.14. the objectives of the pool;
6-9.1.5.6-13.1.15. the size of the pool;
6-9.1.6.6-13.1.16. the names of the members of the advisory board of the pool and the dates their terms expire;
6-9.1.7.6-13.1.17. the custodian bank that will safekeep the pool's assets;
6-9.1.8.6-13.1.18. whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
6-9.1.9.6-13.1.19. whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
6-9.1.10.6-13.1.20. the name and address of the independent auditor of the pool;
6-9.1.11.6-13.1.21. the requirements to be satisfied for SAWS to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for SAWS to invest funds in and withdraw funds from the pool;
6-9.1.12.6-13.1.22. the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios; and
6-9.1.13.6-13.1.23. the pool's policy regarding holding deposits in cash.

6-9.2.6-13.2. An investment pool must maintain its eligibility with SAWS by furnishing the following to SAWS:
6-9.2.1.6-13.2.1. investment transaction confirmations; and
6-9.2.2.6-13.2.2. a monthly report that contains, at a minimum, the following information:
  • the types and percentage breakdown of securities in which the pool is invested;
  • the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
  • the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
  • the book value versus the market value of the pool's portfolio, using amortized cost valuation;
  • the size of the pool;
  • the number of participants in the pool;
  • the custodian bank that is safekeeping the assets of the pool;
  • a listing of daily transaction activity of SAWS;
  • the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
• the portfolio managers of the pool; and
• any changes or addenda to the offering circular.

6-9.3.6-13.3. SAWS by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its funds.

6-9.4.6-13.4. An investment pool shall calculate "Yield" in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

6-9.5.6-13.5. A public funds investment pool must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a $1.00 net asset value, when rounded and expressed to two decimal places. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, the governing body of the public funds investment pool shall take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and other forms of reporting, a public funds investment pool shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds. In addition to the requirements in this policy, the public funds investment pool must follow all requirements of the Act.

6-9.6.6-13.6. A public funds investment pool must have an advisory board composed:

6-9.6.1.6-13.6.1. equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or

6-9.6.2.6-13.6.2. of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

6-9.7.6-13.7. An investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

6-9.8.6-13.8. If the investment pool operates an Internet website it must provide all information required in the offering circular, transaction confirmations and monthly statements, mark to market data and net asset value on the website.

6-9.9.6-13.9. To maintain eligibility to receive funds from and invest funds on behalf of SAWS, an investment pool must make available to SAWS an annual audited financial statement of the investment pool in which SAWS has funds
If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

Securities Lending Program, where the program must meet the Act requirements and the following criteria:

1. The value of the securities loaned under the program must be not less than 102 percent collateralized, including accrued income;
2. A loan made under the program must allow for termination at any time;
3. A loan made under the program must be secured by:
   a. Pledged securities authorized by the Act, Section 2256.009;
   b. Pledged irrevocable letters of credit issued by a bank that is:
      i. Organized and existing under the laws of the United States or any other state;
      ii. Continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent;
   c. Cash invested in accordance with the Act;
4. The terms of a loan made under the program must require that the securities being held as collateral be:
   a. Pledged to SAWS;
   b. Held in SAWS’s name; and
   c. Deposited at the time the investment is made with SAWS or with a third party selected by or approved by SAWS;
5. A loan made under the program must be placed through:
   a. A primary government securities dealer as defined by 5 C.F.R. Section 6801-102 (f), as that regulation existed on September 1, 2003; or
   b. A financial institution doing business in the state of Texas; and
6. An agreement to lend securities is executed under this section and has a term of one year or less.

Guaranteed Investment Contract, where the guaranteed investment contract meets the Act requirements and the following criteria:
6-11.1.6-15.1. A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

6-11.1.6-15.1.1. has a defined termination date;

6-11.1.6-15.1.2. is secured by obligations described by Section 2256.009(a)(1) of the Act, excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and

6-11.1.6-15.1.3. is pledged to SAWS and deposited with SAWS or with a third party selected and approved by SAWS.

6-11.2.6-15.2. Bond Proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.

6-11.3.6-15.3. To be eligible as an authorized investment:

6-11.3.1.6-15.3.1. the governing body of SAWS must specifically authorize guaranteed investment contracts as an eligible investment in the resolution authorizing the issuance of bonds;

6-11.3.2.6-15.3.2. SAWS must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;

6-11.3.3.6-15.3.3. SAWS must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;

6-11.3.4.6-15.3.4. the price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and

6-11.3.5.6-15.3.5. the provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

6-11.3.5.6-15.3.6. Section 1371.059(c) applies to the execution of a guaranteed investment contract by an investing entity.

6-12.6-16. Overnight investment sweep products that invest in securities stated in Section 6-0, items 6-1 through 6-54.

6-13.—An Investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. SAWS shall take all prudent measures that are consistent with this policy to liquidate an investment that does not have the minimum rating.

7-0. MATURITY OF INVESTMENTS

Investments shall have maturities no longer than the date the funds can reasonably be expected to be needed for the purpose for which they are being held. Investments of the
Reserve Fund shall be invested to mature no later than the final maturity date of the senior lien or junior lien obligations.

8-0. SECURITY OF INVESTED FUNDS

Investments in Time Deposit Accounts, Certificates of Deposit, Interest Bearing Cash Accounts, and Repurchase Agreements, along with deposits in standard bank depository accounts, shall be fully secured by insurance of the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund or by obligations described in Section 6-0, items 6-1 through 6-54.

8-1. All such collateral must be fully documented, approved by an authorized SAWS representative and held at an authorized third party institution. An authorized System representative shall mean person(s) designated by the Board of Trustees by execution of a formal written authorizing document. With respect to certificates of deposit in which SAWS has invested pursuant to the provisions listed above for CDARS, the depository institution selected by SAWS is an approved third party institution.

8-2. The market value of collateral shall at all times equal or exceed the principal amount plus accrued interest on all Time Deposit Accounts or Certificates of Deposit in excess of Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund coverage. Market value shall mean the bid or closing price as quoted in the most recent "The Wall Street Journal" or as quoted by another recognized pricing service.

8-3. Collateral shall either be delivered to SAWS or held in joint safekeeping at the Federal Reserve Bank or at another bank not affiliated with the depositing bank for the account and in favor of the San Antonio Water System Board of Trustees.

8-4. Substitutions and decreases in the amount or types of securities pledged as collateral or any other transaction that may decrease the value of the pledge shall have the written approval of the Senior Vice President-Chief Financial Officer, or in the event the Senior Vice President-Chief Financial Officer is not available within a reasonable time under the circumstances, either one of the following: President/Chief Executive Officer, Senior Vice President-Chief Operating Officer, Vice President-General Counsel, and the Vice President-Human Resources, Vice President-Customer Experience & Strategic Initiatives, and Vice President-Water Resources & Governmental Relations prior to their execution.

8-5. The type and market value of collateral shall be monitored weekly.

8-6. Collateral shall not be required with respect to purchase and investment in direct obligations of the United States of America or its instrumentalities, mutual funds, money market mutual funds, interest bearing cash accounts, commercial paper, or investment pools.

9-0. INVESTMENT TRANSACTIONS

Investment transactions stated in 6-1 through 6-54, are executed through approved Broker/Dealer Firms only, with securities delivered to the designated custodian bank. Investment transactions are settled on a delivery versus payment basis with the exception of
investment transactions stated in 6-6 through 6-16. Settlement of trades may be done on a
same day or subsequent day basis as the Investment Officers deem most appropriate and
advantageous to SAWS.

10-0. LIMITS

There is no limit on the amount that may be invested in U.S. Treasury securities, government-
guaranteed securities, or government-sponsored entity securities, with the exception of a
maximum of 50% of the total investment portfolio in any one government-sponsored entity
issuer. Furthermore, any other investment in non-government issues is limited to 30% of the
total investment portfolio unless it is fully collateralized by securities stated in Section 6-0,
items 6-1 through 6-54.

11-0. INVESTMENT STRATEGIES

In order to enhance return and fulfill all of the objectives of the Board, funds shall be invested
according to investment guidelines and the portfolio may be directed toward an active versus
a passive investment strategy. The risk-return relationship will be maintained and
controlled through direct compliance with this policy. Risks will be minimized by adequate
collateralization and delivery versus payment procedures at all times. The maximum
weighted average maturity (WAM) applicable to all SAWS funds will be no more than three
(3) years. Individual securities shall not have a maturity date that exceeds five years.
Investment strategies such as swaps and trading may be considered in order to provide
incremental income. However, no strategies which will result in an accounting loss will be
transacted without the approval of the Senior Vice President-Chief Financial Officer.

11-1. The following are SAWS’s investment strategies for each SAWS fund:

11-1.1. System and Operating Funds - Investments should be structured to meet the
various operating expenses of SAWS and other costs associated with daily
operations. Funds should be invested in instruments that are considered to
be safe and short-term in nature, with maturities generally no greater than
one year. Additionally, these instruments should consist of a diversified
group of approved investments that are intended to maximize yield.
Instruments should be marketable if the need arises to liquidate them prior
to maturity.

11-1.2. Debt Service Funds - Investments should be structured to mature in
conjunction with SAWS debt service requirements, and to ensure compliance
with any pertinent covenants and legal requirements contained in related
bond ordinances. Funds should be invested in a diversified group of safe and
approved instruments intended to maximize yield and liquidity. All
investments must be marketable should the need arise to liquidate them prior
to maturity. Due to definitive debt service schedules, the nature of these funds
allows for precise forecasting of required cash flows.

11-1.3. Reserve Funds - Investments should be structured to pay the principal and
interest on any senior lien and/or junior lien bonds if the amounts in the Debt
Service Fund are insufficient for such purpose, and may be used for retiring the last of any outstanding senior lien and/or junior lien bonds. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. All investments must be marketable should the need arise to liquidate them prior to maturity. The maturity of these investments should be based on a structure to mature up to five years.

11-1.4. Project and Construction Funds - Investments should be structured to meet SAWS's construction obligations. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. Investments must be marketable should the need arise to liquidate them before maturity. The maturity of these investments should be based on projections and information related to construction expenditures, with maturity terms coordinated with and timed to meet the construction draw schedule requirements.

11-1.5. Renewal & Replacement Funds - Investments should be structured to meet the various capital expenditures of SAWS, along with any unexpected or extraordinary expenses that occur where operating funds are not available. Funds should be invested in a diversified group of safe and approved instruments intended to maximize yield and liquidity. All investments must be marketable should the need arise to liquidate them. The maturity of these investments should be based on a laddered structure, to mature up to two years.

11-1.6. The stated investment strategies must be in accordance with the objectives stated in section 2-0.

12-0. WRITTEN CONTRACTS

Written contracts are required for Time Deposit Accounts, Certificates of Deposit, custodial undertakings, and the initial set up of investment pools and Federally Insured Cash Accounts. With respect to the purchase of direct federal or state obligations of the United States of America and its instrumentalities the interest of SAWS will be adequately protected by conditioning payment on the physical delivery of the purchased securities to SAWS or custodial bank, or in the case of book-entry transactions on the crediting of purchased securities to the custodial bank’s Federal Reserve System account held in favor of SAWS. All purchases will be confirmed in writing to SAWS.

13-0. DESIGNATION OF CUSTODIAL BANK

The custodial bank shall be the bank then currently serving SAWS as its general depository bank, or another approved financial institution.

14-0. QUALIFICATIONS OF INVESTMENT PROVIDER

For purposes of this Investment Policy investment providers are defined as a banking corporation, association, individual bank, investment banker, investment advisor, primary registered securities dealer or a regional brokerage firm which underwrites U.S. Government
Agency Issues. To qualify as an investment provider a bank must not be in receivership and/or be under the management and control of any Federal or State banking agency. Concentration of investments in only one financial institution should be avoided if at all possible. Securities dealers must be in good standing with the regulatory agencies.

14-1. When direct obligations of the United States of America or the State of Texas are purchased, the seller shall be required to deliver the securities to SAWS or to the custodial bank versus payment.

14-2. There should always be at least three competitive offers or bids from three different Investment Providers for all individual security purchases and sales, excluding new issue securities, transactions with mutual funds, money market mutual funds and investment pools.

14-3. All investment providers will provide a written acknowledgement of receipt and thorough review of SAWS Investment Policy and will attest to having implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising from investment transactions as required by the Act.

14-4. SAWS will create an internal investment committee that shall, at least annually, review, revise, and adopt a list of qualified brokers/dealers with whom it may do business.

15-0. INVESTMENT MANAGEMENT FIRMS

SAWS may contract with an investment management firm or firms for the management of its funds. The firm must be registered under the Investment Advisers Act of 1940 (the "1940 Act") or, if the firm is not subject to the 1940 Act, it must be registered with the State Securities Board. An investment management contract may be for a term of up to two years with any renewal or extension approved by the Board. A written copy of SAWS’ investment policy must be given to the investment management firm. An officer or principal of the investment management firm will serve as a qualified representative who will provide SAWS with a written instrument acknowledging receipt and compliance with the investment policy as required by the Act.

16-0. OPERATIONS AND REPORTING

The purchase and sale of securities shall be done through a competitive bid process. Certificates of Deposit may be purchased from the general depository bank. Contracts for purchase of Certificates of Deposit from banks other than the general depository banks shall be established. Deposits into Federally Insured Cash Accounts, Investment Pools, and Money Market Mutual Funds will be made at the discretion of the Investment Officers.

16-1. The Senior Vice President-Chief Financial Officer, the Treasurer, and the Manager - Treasury, are authorized to approve and award the purchase of securities and Certificates of Deposit to the best qualified bid.

16-2. The Senior Vice President-Chief Financial Officer is authorized to execute contracts
for Certificates of Deposit.

16-3. The following procedure(s) will be used to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provision in section 6-018.

16-3.1. SAWS will monitor market activity on a continuous basis via financial news made available over e-mail and the internet, as well as live news reports and on-line systems.

16-3.2. Broker/Dealers will also be utilized to provide market information and financial news updates.

16-3.3. Financial periodicals will be pursued as an additional information vehicle to broaden financial and market awareness and knowledge.

16-4. One of the following method(s) will be used to monitor the market price of acquired investments:

16-4.1. SAWS may contract with a service provider to furnish online real-time market posting of securities as needed.

16-4.2. At month end, a list of outstanding investments owned by SAWS will be sent to either one of the following entities:
   16-4.2.1. SAWS’ general depository bank;
   16-4.2.2. one of SAWS’ approved Broker/Dealer firms;
   16-4.2.3. any entity contracted by SAWS to provide this service.

16-4.3. The selected entity will provide the market price of each security as of month end on the outstanding list and return it to SAWS.

16-4.4. SAWS will then use the month end outstanding list to compute the market value of each security and prepare a monthly report displaying all investment activity and balances for all securities and funds.

16-5. Not less than quarterly, the Investment Officers shall prepare and submit to the governing body of SAWS a written report of investment transactions of all funds covered by this Policy and the Act, for the preceding reporting period. The report must:

16-5.1. describe in detail the investment position of SAWS on the date of the report;

16-5.2. be prepared and signed jointly by each Investment Officer;

16-5.3. contain a summary statement of each pooled fund group that states the beginning market value for the reporting period, ending market value for the
period, and fully accrued interest for the reporting period;

16-5.4. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

16-5.5. state the maturity date of each separately invested asset that has a maturity date;

16-5.6. state the account or fund or pooled group fund of SAWS for which each individual investment was acquired;

16-5.7. state the compliance of the investment portfolio of SAWS as it relates to the investment strategy expressed in SAWS’ Investment Policy and relevant provisions of the Act; and

16-5.8. the report shall be presented not less than quarterly to the governing body and the President/Chief Executive Officer of SAWS within a reasonable time after the end of the period.

17-0. INVESTMENT POLICY

The investment policy must be reviewed by the governing body of SAWS at least once a year. It will adopt a written instrument reviewing the policy and record the changes made to the policy.
TO: San Antonio Water System Board of Trustees

FROM: Eyenemi Dickson Hogue, Interim Director, Customer Service, and Mary Bailey, Vice President, Customer Experience & Strategic Initiatives

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

SUBJECT: AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS AUTHORIZED REPRESENTATIVE TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN SAN ANTONIO WATER SYSTEM AND THE CITY OF CONVERSE TO PROVIDE BILLING SERVICES

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an interlocal agreement between San Antonio Water System (SAWS) and the City of Converse (“Converse”) to provide billing services for sewer and stormwater.

- The interlocal agreement authorizes SAWS to providing billing for sewer and stormwater services to Converse customers who receive retail water services from SAWS.

- Through Resolution No. 12-383, SAWS provides billing for sewer services to Converse on SAWS’ bill.

- The interlocal agreement between SAWS and Converse has expired, and both SAWS and Converse wish to enter into a new agreement to continue providing billing services.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The proposed interlocal agreement provides that Converse will pay SAWS the following fees for its services related to billing and collection of sewer and stormwater services charges:

(a) $0.85 per customer per billing period,
(b) 0.8 percent of gross billings per billing period to cover uncollectible billings.

Projected fees collected annually under this agreement will be approximately $357.00 for billing services based on the current 35 customer accounts. The fees will be effective upon execution of agreement and are subject to an increase annually based on SAWS’ cost of providing customer service and billing functions.
Interlocal Agreement
City of Converse

Eyenemi Dickson Hogue
Interim Director, Customer Service

APPROVED:

Mary Bailey
Vice President, Customer Experience & Strategic Initiatives

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE INTERLOCAL AGREEMENT WITH THE CITY OF CONVERSE FOR BILLING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE CITY OF CONVERSE TO PROVIDE BILLING 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 has assumed responsibility to bill sewer and stormwater services for the City of Converse, which was approved by the Board of Trustees in August 2012, through Resolution No. 12-383; and

WHEREAS, the agreement authorized and approved by the Board of Trustees has expired, and the San Antonio Water System and the City of Converse wish to enter into the attached interlocal agreement for billing services; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the interlocal agreement with the City of Converse for billing services, and (ii) authorize the President/Chief Executive Officer or his duly appointed designee to execute the interlocal agreement; now, therefore:

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

1. That the Interlocal Agreement with the City of Converse for billing services is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement regarding the San Antonio Water System providing services to City of Converse customers.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it has 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 the 4th day of December, 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Amy Hardberger, Secretary

Attachment:
1. Interlocal Agreement
AGREEMENT BETWEEN
SAWS AND THE CITY OF CONVERSE

This Interlocal Agreement (the “Agreement”) is entered into, in duplicate originals, and effective on this _____ day of _____________, 2018, by and between the San Antonio Water System, a wholly owned municipal water and sewer utility of the City of San Antonio, (“SAWS”), as authorized by SAWS Board Resolution No. __________, which was passed on __________, 2018, and the City of Converse (“Converse”), a general law municipality incorporated under the laws of the state of Texas, as authorized by the Texas Constitution, acting by and through its City Council, pursuant to Ordinance No.___________, which was passed on __________, 2018, together the “Parties.”

RECITALS

WHEREAS, SAWS will provide water service to some of the same customers which will be served by City of Converse’s sanitary sewer system and stormwater service; and

WHEREAS, the City of Converse is a general law municipality located in the San Antonio area and is adjacent to SAWS’ water and/or wastewater service areas; and

WHEREAS, SAWS and City of Converse entered into a Sewer and Stormwater Billing Agreement in August 7, 2012 under which SAWS agreed to provide the City of Converse with billing services for sewer and stormwater service charges to certain of its customers which provided for renewal on a year-to-year basis for up to five (5) years after the effective date; and

WHEREAS, the initial five (5) year term of the August 7, 2012 agreement of year-to-year renewals has passed and, the agreement remains in effect until a successor agreement is executed between the parties; and

WHEREAS, the City of Converse has offered to pay SAWS to provide the City of Converse with billing services for sewer and stormwater service charges to certain of its customers; and

WHEREAS, SAWS has accepted the offer of City of Converse to continue to perform sewer and stormwater billing services under a new agreement on a year-to-year basis for up to a total term of five (5) years with a provision that service may continue to be provided after this term until a successor agreement is executed between the parties;

NOW THEREFORE:

The Parties hereto agree as follows:
1.00 Purpose and Scope of Services.

1.01 Purpose. The Parties acknowledge that the intent of this Agreement is for SAWS to provide City of Converse with billing services for sewer and stormwater service charges fees to its customers.

1.02 Scope of Services

(a) SAWS shall only bill customers of City of Converse who also receive SAWS’ water service. SAWS shall bill such customers for City of Converse’s sewer and stormwater service charges at rates determined by City of Converse per month for each customer for each service and shall receive the payments made for such charges. Such rates are to be determined by the City of Converse and approved by the Texas Public Utility Commission, and as may be amended.

(b) SAWS shall provide the City of Converse with the names and addresses of new water accounts as they are established. The City of Converse agrees to be solely responsible for responding to questions from customers and for resolving all customer issues with respect to the administration and assessment of wastewater charges. Furthermore, the City of Converse will be responsible for informing SAWS of billing adjustments needed to be made for individual customer accounts. In no event, however, shall SAWS be required to make any retroactive billing adjustments.

(c) In addition to notifying SAWS of the initial rates to be billed for sewer and stormwater services to each customer by SAWS, City of Converse shall notify its customers and SAWS in writing of any changes in the rates for sewer and stormwater service charges including the dates such rates are to be applied to billing not less than thirty (30) days prior to the scheduled billing date of City of Converse’s customers. Furthermore, if City of Converse’s establishes a sewer services rate in terms of a cost per hundred cubic feet, City of Converse shall provide SAWS a converted sewer service rate amount in terms of a cost per hundred gallons for use by SAWS for customer consumption billing purposes.

(d) The first billing hereunder shall be made as determined by agreement between management of City of Converse and SAWS. SAWS shall bill City of Converse’s customers thereafter at the same periods and on the same cycle of approximately 30 days’ duration for which it bills for its own water service to said customers. SAWS shall utilize its standard billing and collection procedures.
2.0 Term and Expiration of Services

2.01 The effective date of this Agreement shall be on the date of execution by both parties and after the final approval by both the SAWS Board and the City of Converse. SAWS shall begin to provide services identified in the Agreement upon receipt of City of Converse’s written authorization to proceed.

2.02 This term of this Agreement shall be automatically renewed on a year-to-year basis for up to five (5) years after the effective date unless notice is given prior to the renewal. The terms of this Agreement may remain in effect after the expiration date until a successor agreement is executed between the parties so long as neither party notifies the other party in writing of its intent to terminate this Agreement.

3.00 Payment for Services

3.01 Fees. The City of Converse shall pay SAWS the following fees for its services related to billing and collection of charges:

(a) $0.85 per customer per billing period.

(b) 0.8% of gross billings per billing period to cover uncollectible billings.

(c) Such Fees are subject to change on January 1 of each year. The Fee will be based upon an allocation of SAWS’ cost of providing customer service and billing functions. Prior to January 1 of each year, SAWS will notify City of Converse of any such adjustments in Fees.

(d) Up to a limit stated below, City of Converse’s shall be responsible for the set-up costs of changing the automated billing system of SAWS to accommodate City of Converse’s new or modified wastewater billing requirements. SAWS shall provide a detailed statement of final set-up costs within 60 days of the initiation of wastewater billing services for the City of Converse. Within 60 days of the delivery by SAWS of the statement of set-up costs to City of Converse, City of Converse shall remit to SAWS an amount equal to SAWS’ stated costs; however, this amount shall be no greater than $5,000.00. SAWS reserves the right to discontinue wastewater billing services in the event of non-payment of the set-up costs by the stated deadline.

3.02 Remittance.

(a) By the 15th day of the first month after the month in which the last applicable billing cycle ended, SAWS shall furnish to City of Converse a Sewer Accounts Billable Consumption Report and a Billing Summary Report for sewer accounts.

(b) By the 15th day of the first month after the month in which the last applicable
billing cycle ended, SAWS shall furnish to City of Converse a Stormwater Accounts Billable Report and a Billing Summary Report for sewer accounts.

(c) After deducting (1) applicable per customer billing charges, (2) 0.8% of gross billings to cover uncollectible billings, (3) all applicable customer late penalty fees, and (4) all applicable adjustments to sewer or stormwater billings made as a result of customer inquiry according to adjustment guidelines established by City of Converse, SAWS shall remit the net amount to City of Converse by the 15th day of the first month after the month in which the last applicable billing cycle ended.

(d) Any adjustments or corrections needed to the above remittance to the City of Converse shall be made by SAWS in the following month’s remittance.

(e) The Sewer Water Accounts Billable Consumption Report, the Stormwater Accounts Billable Report, and the Billing Summary Report to be provided to City of Converse by SAWS under Section 3.02(a) above and the Winter Average Reports (the “Reports”) and Stormwater billing rate will be submitted in an electronic format mutually acceptable to both Parties. The City of Converse will designate in writing the name and contact information of City of Converse’s employee to receive the Reports.

4.0 Liability, Indemnity, and Insurance

4.01 SAWS shall not be responsible for any direct, indirect, consequential or incidental damages of any kind or nature that result from or are related to SAWS’ conduct under this Agreement.

4.02 To the extent allowed by law, each Party agrees to indemnify and hold harmless the other Party, its officers, agents, and employees, from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys’ fees, for injury to or death of any person, or for damage to any property, arising out of, or in connection with, SAWS’ provision of the billing services, contemplated under this Agreement, where such injuries, death or damages are caused by the joint negligence of each Party, its employees, contractors, or agents. It is the EXPRESSED INTENTION of both Parties to this Agreement that the indemnity provided for in this paragraph is INDEMNITY BY each Party TO INDEMNIFY AND PROTECT the other Party from the consequences of its own comparative share of negligence. Since SAWS shall be performing governmental functions on behalf of City of Converse’s, City of Converse’s shall further assist SAWS in asserting any and all sovereign governmental immunity rights or limitations in defending any claims made against SAWS related to any work performed on behalf of City of Converse’s.
4.03 Both parties shall name the other party as an additional insured under its current respective insurance policy, maintain the additional insured requirement throughout the term of this Agreement, and furnish certificates of coverage to the other party upon request, including, a Certificate of Insurance coverage indicating the Commercial General Liability policy data and the Additional Insured endorsement.

4.04 Billing errors. SAWS shall not be responsible to City of Converse’s or its customers for any over billings or under-billings of City of Converse’s sewer and Stormwater customers. Any refunds for over-billings will be paid for by, and be the responsibility of City of Converse’s and City of Converse’s shall have the authority to decide whether to back bill customers who were under-billed so long as it is consistent with applicable law. Any such back-billing shall be done at City of Converse’s discretion and expense.

4.05 Record Keeping. The City of Converse will be responsible for reviewing all Billing data and shall notify SAWS of any Billing issues within 30 days of a billing issue.

5.0 Alterations to Agreement and Scope of Work

No amendments to this Agreement shall be considered valid by either Party unless they are in writing and approved by each Party's respective governing body.

6.0 Default and Termination

6.01 If any Party breaches any term, or terms, of this Agreement, then the breaching party shall have thirty (30) days from the date that it receives written notification of the breach from the other Party to commence good faith efforts to cure such breach. If the breach has not been cured within a reasonable period of time, then the non-breaching Party may terminate this Agreement by providing thirty (30) days written notice of its intent to terminate.

6.02 This Agreement may be unilaterally terminated at will, without cause, by either party upon written notice by certified mail ninety (90) days in advance of the desired effective date of termination.

7.0 Miscellaneous Provisions

7.01 Assignment. No assignment of this Agreement, in whole or in part for any purpose shall be made by either City of Converse or SAWS without
the prior written consent of the other Party. Subject to this limitation, this Agreement shall bind and inure to the benefit of the successors and assigns of the Parties.

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

If to City of Converse:

City of Converse
Le Ann Piatt, City Manager
403 S. Seguin
San Antonio, TX  78209

If to SAWS:

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

These addressees and addresses may be changed by either Party by notice in writing to the other Party.

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

7.04 Severability. If for any reason, any one or more paragraphs of this Agreement are held legally invalid, such judgment shall not prejudice, affect, impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall not be confined to the specific paragraphs, clauses, or paragraphs of this Agreement held legally invalid.

7.05 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior Agreements, understandings, and arrangements, oral or written, between the parties thereto with respect to the subject matter hereof.

7.06 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Texas and the venue for any cause of action shall be brought in Bexar County, Texas.
7.07 Execution in Counterparts. This Agreement 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 one and the same instrument.

7.08 No Waivers. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

7.09 Authority to Agreement. City of Converse’s hereby affirms that it has the authority to enter into this Agreement. SAWS hereby affirms that it has the authority to enter into this Agreement pursuant to a duly adopted resolution of its Board of Trustees and that the President/Chief Executive Officer has the authority to execute this Agreement. Each party certifies that the services specified above are necessary and essential for activities that are properly within the statutory functions of each party and serve the interest of efficient and economical administration of each entity.

7.10 No Third Party Beneficiaries. Nothing in this Agreement shall entitle any third party to any claim, cause of action, remedy, or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third party beneficiary contract.

7.11 Force Majeure. If by reason of Force Majeure, a Party shall be rendered unable in whole or in part to carry out its obligations under this Agreement in accordance with the terms and conditions of this Agreement, it shall not be considered a breach of this Agreement. The term "Force Majeure" as used in this Agreement shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of the public enemy, orders of any kind of the federal or state government, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, the partial or entire failure of a Party, or any other causes not reasonably within the control of a Party.
City of Converse:

By: ____________________________________
Name: Le Ann Piatt
Title: City Manager

SAN ANTONIO WATER SYSTEM:

By: ____________________________________
Name: Robert R. Puente
Title: President/Chief Executive Officer
ACKNOWLEDGMENTS

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on ____________, 2018, by ________________, City Administrator of City of Converse, a general law municipality and political subdivision of the State of Texas.

____________________________________
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on ____________, 2018, by Robert R. Puente, President/Chief Executive Officer of the San Antonio Water System, a Texas municipal corporation, on behalf of said corporation.

____________________________________
Notary Public, State of Texas
TO: San Antonio Water System Board of Trustees
FROM: Eyenemi Dickson Hogue, Interim Director, Customer Service, and Mary Bailey, Vice President, Customer Experience & Strategic Initiatives
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS AUTHORIZED REPRESENTATIVE TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN SAN ANTONIO WATER SYSTEM AND THE CITY OF BALCONES HEIGHTS TO PROVIDE BILLING SERVICES

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an interlocal agreement between San Antonio Water System (SAWS) and the City of Balcones Heights (“Balcones Heights”) to provide billing services for sewer.

- The interlocal agreement authorizes SAWS to providing billing for sewer services to Balcones Heights customers who receive retail water services from SAWS.
- Through Resolution No. 09-183, SAWS provides billing for sewer services to Balcones Heights on SAWS’ bill.
- The interlocal agreement between SAWS and Balcones Heights has expired, and both SAWS and Balcones Heights wish to enter into a new agreement to continue providing billing services.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The proposed interlocal agreement provides that the City of Balcones Heights will pay SAWS the following fees for its services related to billing and collection of sewer services charges:

(a) $0.85 per customer per billing period,
(b) 0.8 percent of gross billings per billing period to cover uncollectible billings.

Projected fees collected annually under this agreement will be approximately $3,800 based on the current 371 customer accounts. The fees will be effective upon execution of agreement and are subject to an increase annually based on SAWS’ cost of providing customer service and billing functions.
Interlocal Agreement
City of Balcones Heights

Eyenemi Dickson Hogue
Interim Director, Customer Service

APPROVED:

Mary Bailey
Vice President, Customer Experience & Strategic Initiatives

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE INTERLOCAL AGREEMENT WITH THE CITY OF BALCONES HEIGHTS FOR BILLING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE CITY OF BALCONES HEIGHTS TO PROVIDE BILLING 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 has assumed responsibility to bill sewer services for the City of Balcones Heights, which was approved by the Board of Trustees in July 2009, through Resolution No. 09-183; and

WHEREAS, the agreement authorized and approved by the Board of Trustees has expired, and the San Antonio Water System and the City of Balcones Heights wish to enter into the attached interlocal agreement for billing services; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the interlocal agreement with the City of Balcones Heights for billing services, and (ii) authorize the President/Chief Executive Officer or his duly appointed designee to execute the interlocal agreement; now, therefore:

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

1. That the Interlocal Agreement with the City of Balcones Heights for billing services is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement regarding the San Antonio Water System providing services to City of Balcones Heights customers.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it has 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 the 4th day of December, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Amy Hardberger, Secretary

Attachment:
1. Interlocal Agreement
AGREEMENT BETWEEN
SAWS AND THE CITY OF BALCONES HEIGHTS

This Interlocal Agreement (the “Agreement”) is entered into, in duplicate originals, and effective on this _____ day of ______________, 2018, by and between the San Antonio Water System, a wholly owned municipal water and sewer utility of the City of San Antonio, (“SAWS”), as authorized by SAWS Board Resolution No. __________, which was passed on __________, 2018, and the City of Balcones Heights (“Balcones Heights”), a general law municipality incorporated under the laws of the state of Texas, as authorized by the Texas Constitution, acting by and through its City Council, pursuant to Ordinance No. __________, which was passed on __________, 2018, together the “Parties.”

RECITALS

WHEREAS, SAWS will provide water service to some of the same customers which will be served by City of Balcones Heights’s sanitary sewer system and stormwater service; and

WHEREAS, the City of Balcones Heights is a general law municipality located in the San Antonio area and is adjacent to SAWS’ water and/or wastewater service areas; and

WHEREAS, SAWS and City of Balcones Heights entered into a Sewer and Stormwater Billing Agreement in ________, 2018 under which SAWS agreed to provide the City of Balcones Heights with billing service for sewer and stormwater service charges to certain of its customers which provided for renewal on a year-to-year basis for up to five (5) years after the effective date; and

WHEREAS, the initial five (5) year term of the ________, 2018 agreement of year-to-year renewals has passed and, the agreement remains in effect until a successor agreement is executed between the parties; and

WHEREAS, the City of Balcones Heights has offered to pay SAWS to provide the City of Balcones Heights with billing services for sewer and stormwater service charges to certain of its customers; and

WHEREAS, SAWS has accepted the offer of City of Balcones Heights to continue to perform sewer and stormwater billing services under a new agreement on a year-to-year basis for up to a total term of five (5) years with a provision that service may continue to be provided after this term until a successor agreement is executed between the parties;

NOW THEREFORE:

The Parties hereto agree as follows:
1.00 Purpose and Scope of Services.

1.01 Purpose. The Parties acknowledge that the intent of this Agreement is for SAWS to provide City of Balcones Heights with billing services for sewer and stormwater service charges fees to its customers.

1.02 Scope of Services

(a) SAWS shall only bill customers of City of Balcones Heights who also receive SAWS’ water service. SAWS shall bill such customers for City of Balcones Heights’s sewer and stormwater service charges at rates determined by City of Balcones Heights per month for each customer for each service and shall receive the payments made for such charges. Such rates are to be determined by the City of Balcones Heights and approved by the Texas Public Utility Commission, and as may be amended.

(b) SAWS shall provide the City of Balcones Heights with the names and addresses of new water accounts as they are established. The City of Balcones Heights agrees to be solely responsible for responding to questions from customers and for resolving all customer issues with respect to the administration and assessment of wastewater charges. Furthermore, the City of Balcones Heights will be responsible for informing SAWS of billing adjustments needed to be made for individual customer accounts. In no event, however, shall SAWS be required to make any retroactive billing adjustments.

(c) In addition to notifying SAWS of the initial rates to be billed for sewer and stormwater services to each customer by SAWS, City of Balcones Heights shall notify its customers and SAWS in writing of any changes in the rates for sewer and stormwater service charges including the dates such rates are to be applied to billing not less than thirty (30) days prior to the scheduled billing date of City of Balcones Heights’s customers. Furthermore, if City of Balcones Heights’s establishes a sewer services rate in terms of a cost per hundred cubic feet, City of Balcones Heights shall provide SAWS a converted sewer service rate amount in terms of a cost per hundred gallons for use by SAWS for customer consumption billing purposes.

(d) The first billing hereunder shall be made as determined by agreement between management of City of Balcones Heights and SAWS. SAWS shall bill City of Balcones Heights’s customers thereafter at the same periods and on the same cycle of approximately 30 days’ duration for which it bills for its own water service to said customers. SAWS shall utilize its standard billing and collection procedures.

2.0 Term and Expiration of Services
2.01 The effective date of this Agreement shall be on the date of execution by both parties and after the final approval by both the SAWS Board and the City of Balcones Heights. SAWS shall begin to provide services identified in the Agreement upon receipt of City of Balcones Heights’s written authorization to proceed.

2.02 This term of this Agreement shall be automatically renewed on a year-to-year basis for up to five (5) years after the effective date unless notice is given prior to the renewal. The terms of this Agreement may remain in effect after the expiration date until a successor agreement is executed between the parties so long as neither party notifies the other party in writing of its intent to terminate this Agreement.

3.00 Payment for Services

3.01 Fees. The City of Balcones Heights shall pay SAWS the following fees for its services related to billing and collection of charges:

(a) $0.85 per customer per billing period

(b) 0.8% of gross billings per billing period to cover uncollectible billings.

(c) Such Fees are subject to change on January 1 of each year. The Fee will be based upon an allocation of SAWS’ cost of providing customer service and billing functions. Prior to January 1 of each year, SAWS will notify City of Balcones Heights of any such adjustment in Fees.

(d) Up to a limit stated below, City of Balcones Heights’s shall be responsible for the set-up costs of changing the automated billing system of SAWS to accommodate City of Balcones Heights’s new or modified wastewater billing requirements. SAWS shall provide a detailed statement of final set-up costs within 60 days of the initiation of wastewater billing services for the City of Balcones Heights. Within 60 days of the delivery by SAWS of the statement of set-up costs to City of Balcones Heights, City of Balcones Heights shall remit to SAWS an amount equal to SAWS’ stated costs; however, this amount shall be no greater than $5,000.00. SAWS reserves the right to discontinue wastewater billing services in the event of non-payment of the set-up costs by the stated deadline.

3.02 Remittance.

(a) By the 15th day of the first month after the month in which the last applicable billing cycle ended, SAWS shall furnish to City of Balcones Heights a Sewer Accounts Billable Consumption Report and a Billing Summary Report for sewer accounts.

(b) By the 15th day of the first month after the month in which the last applicable
billing cycle ended, SAWS shall furnish to City of Balcones Heights a Stormwater Accounts Billable Report and a Billing Summary Report for sewer accounts.

(c) After deducting (1) applicable per customer billing charges, (2) 0.8% of gross billings to cover uncollectible billings, (3) all applicable customer late penalty fees, and (4) all applicable adjustments to sewer or stormwater billings made as a result of customer inquiry according to adjustment guidelines established by City of Balcones Heights, SAWS shall remit the net amount to City of Balcones Heights by the 15th day of the first month after the month in which the last applicable billing cycle ended.

(d) Any adjustments or corrections needed to the above remittance to the City of Balcones Heights shall be made by SAWS in the following month's remittance.

(e) The Sewer Water Accounts Billable Consumption Report, the Stormwater Accounts Billable Report, and the Billing Summary Report to be provided to City of Balcones Heights by SAWS under Section 3.02(a) above and the Winter Average Reports (the “Reports”) and Stormwater billing rate will be submitted in an electronic format mutually acceptable to both Parties. The City of Balcones Heights will designate in writing the name and contact information of City of Balcones Heights’s employee to receive the Reports.

4.0 **Liability, Indemnity, and Insurance**

4.01 SAWS shall not be responsible for any direct, indirect, consequential or incidental damages of any kind or nature that result from or are related to SAWS’ conduct under this Agreement.

4.02 To the extent allowed by law, each Party agrees to indemnify and hold harmless the other Party, its officers, agents, and employees, from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys’ fees, for injury to or death of any person, or for damage to any property, arising out of, or in connection with, SAWS’ provision of the billing services, contemplated under this Agreement, where such injuries, death or damages are caused by the joint negligence of each Party, its employees, contractors, or agents. It is the EXPRESSED INTENTION of both Parties to this Agreement that the indemnity provided for in this paragraph is INDEMNITY BY each Party TO INDEMNIFY AND PROTECT the other Party from the consequences of its own comparative share of negligence. Since SAWS shall be performing governmental functions on behalf of City of Balcones Heights’s, City of Balcones Heights’s shall further assist SAWS in asserting any and all sovereign governmental immunity rights or limitations in defending any claims made against SAWS related to any work performed on behalf of City of Balcones Heights’s.
4.03 Both parties shall name the other party as an additional insured under its current respective insurance policy, maintain the additional insured requirement throughout the term of this Agreement, and furnish certificates of coverage to the other party upon request, including, a Certificate of Insurance coverage indicating the Commercial General Liability policy data and the Additional Insured endorsement.

4.04 Billing errors. SAWS shall not be responsible to City of Balcones Heights’s or its customers for any over billings or under-billings of City of Balcones Heights’s sewer and Stormwater customers. Any refunds for over-billings will be paid for by, and be the responsibility of City of Balcones Heights’s and City of Balcones Heights’s shall have the authority to decide whether to back bill customers who were under-billed so long as it is consistent with applicable law. Any such back-billing shall be done at City of Balcones Heights’s discretion and expense.

4.05 Record Keeping. The City of Balcones Heights will be responsible for reviewing all Billing data and shall notify SAWS of any Billing issues within 30 days of a billing issue.

5.0 Alterations to Agreement and Scope of Work

No amendments to this Agreement shall be considered valid by either Party unless they are in writing and approved by each Party's respective governing body.

6.0 Default and Termination

6.01 If either party breaches any term, or terms, of this Agreement, then the breaching party shall have thirty (30) days from the date that it receives written notification of the breach from the other Party to commence good faith efforts to cure such breach. If the breach has not been cured within a reasonable period of time, then the non-breaching Party may terminate this Agreement by providing thirty (30) days written notice of its intent to terminate.

6.02 This Agreement may be unilaterally terminated at will, without cause, by either party upon written notice by certified mail ninety (90) days in advance of the desired effective date of termination.

7.0 Miscellaneous Provisions
7.01 Assignment. No assignment of this Agreement, in whole or in part for any purpose shall be made by either City of Balcones Heights or SAWS without the prior written consent of the other Party. Subject to this limitation, this Agreement shall bind and inure to the benefit of the successors and assigns of the Parties.

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

If to City of Balcones Heights:

City of Balcones Heights
David J. Harris, City Administrator
3300 Hillcrest
Balcones Heights, TX 78201

If to SAWS:

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

These addressees and addresses may be changed by either Party by notice in writing to the other Party.

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

7.04 Severability. If for any reason, any one or more paragraphs of this Agreement are held legally invalid, such judgment shall not prejudice, affect, impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall not be confined to the specific paragraphs, clauses, or paragraphs of this Agreement held legally invalid.

7.05 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior Agreements, understandings, and arrangements, oral or written, between the parties thereto with respect to the subject matter hereof.

7.06 Governing Law and Venue. This Agreement shall be construed and
enforced in accordance with and governed by the laws of the State of Texas and the venue for any cause of action shall be brought in Bexar County, Texas.

7.07 Execution in Counterparts. This Agreement 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 one and the same instrument.

7.08 No Waivers. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

7.09 Authority to Agreement. City of Balcones Heights’s hereby affirms that it has the authority to enter into this Agreement. SAWS hereby affirms that it has the authority to enter into this Agreement pursuant to a duly adopted resolution of its Board of Trustees and that the President/Chief Executive Officer has the authority to execute this Agreement. Each party certifies that the services specified above are necessary and essential for activities that are properly within the statutory functions of each party and serve the interest of efficient and economical administration of each entity.

7.10 No Third Party Beneficiaries. Nothing in this Agreement shall entitle any third party to any claim, cause of action, remedy, or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third party beneficiary contract.

7.11 Force Majeure. If by reason of force Majeure, a Party shall be rendered unable in whole or in part to carry out its obligations under this Agreement in accordance with the terms and conditions of this Agreement, it shall not be considered a breach of this Agreement. The term "Force Majeure" as used in this Agreement shall mean acts of God, strikes, lock-outs, or other industrial disturbances; acts of the public enemy, orders of any kind of the federal or state government, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, the partial or entire failure of a Party, or any other causes not reasonably within the control of a Party.
City of Balcones Heights:

By: ____________________________________
Name: Suzanne de Leon
Title: Mayor

SAN ANTONIO WATER SYSTEM:

By: ____________________________________
Name: Robert R. Puente
Title: President/Chief Executive Officer
ACKNOWLEDGMENTS

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me on ____________, 2018, by David J. Harris, City Administrator of City of Balcones Heights, a general law municipality and political subdivision of the State of Texas.

____________________________________
Notary Public, State of Texas

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me on ____________, 2018, by Robert R. Puente, President/Chief Executive Officer of the San Antonio Water System, a Texas municipal corporation, on behalf of said corporation.

____________________________________
Notary Public, State of Texas
TO: San Antonio Water System Board of Trustees

FROM: Eyenemi Dickson Hogue, Interim Director, Customer Service, and Mary Bailey, Vice President, Customer Experience & Strategic Initiatives

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

SUBJECT: AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS AUTHORIZED REPRESENTATIVE TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN SAN ANTONIO WATER SYSTEM AND THE CITY OF OLMOS PARK TO PROVIDE BILLING SERVICES

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an interlocal agreement between San Antonio Water System (SAWS) and the City of Olmos Park (“Olmos Park”) to provide billing services for sewer.

- The interlocal agreement authorizes SAWS to providing billing for sewer services to Olmos Park customers who receive retail water services from SAWS.

- Through Resolution No. 09-385, SAWS provides billing for sewer services to Olmos Park on SAWS’ bill.

- The interlocal agreement between SAWS and Olmos Park has expired, and both SAWS and Olmos Park wish to enter into a new agreement to continue providing billing services.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The proposed interlocal agreement provides that the City of Olmos Park will pay SAWS the following fees for its services related to billing and collection of sewer services charges:

(a) $0.85 per customer per billing period,
(b) 0.8 percent of gross billings per billing period to cover uncollectible billings.

Projected fees collected annually under this agreement will be approximately $8,500 based on the current 832 customer accounts. The fees will be effective upon execution of agreement and are subject to an increase annually based on SAWS’ cost of providing customer service and billing functions.
Interlocal Agreement
City of Olmos Park

Eyenemi Dickson Hogue
Interim Director, Customer Service

Mary Bailey
Vice President, Customer Experience & Strategic Initiatives

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE INTERLOCAL AGREEMENT WITH THE CITY OF OLMOS PARK FOR BILLING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE CITY OF OLMOS PARK TO PROVIDE BILLING 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 has integrated the former Bexar Metropolitan Water District’s billing into the San Antonio Water System billing system, which allows customers to receive one consolidated bill; and

WHEREAS, the San Antonio Water System, through billing integration efforts, also assumed responsibility to bill sewer services for the City of Olmos Park, which was approved by the Board of Trustees in December 2009, through Resolution No. 09-385; and

WHEREAS, the agreement authorized and approved by the Board of Trustees has expired, and the San Antonio Water System and the City of Olmos Park wish to enter into the attached interlocal agreement for billing services; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the interlocal agreement with the City of Olmos Park for billing services, and (ii) authorize the President/Chief Executive Officer or his duly appointed designee to execute the interlocal agreement; now, therefore:

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

1. That the Interlocal Agreement with the City of Olmos Park for billing services is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement regarding the San Antonio Water System providing services to City of Olmos Park customers.

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
4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it has 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 the 4th day of December, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Amy Hardberger, Secretary

Attachment:

1. Interlocal Agreement
AGREEMENT BETWEEN
SAWS AND THE CITY OF OLMOS PARK

This Interlocal Agreement (the “Agreement”) is entered into, in duplicate originals, and
effective on this _____ day of ______________, 2018, by and between the San Antonio
Water System, a wholly owned municipal water and sewer utility of the City of San
Antonio, (“SAWS”), as authorized by SAWS Board Resolution No. __________, which
was passed on __________, 2018, and the City of Olmos Park (“Olmos Park”), a general
law municipality incorporated under the laws of the state of Texas, as authorized by the
Texas Constitution, acting by and through its City Council, pursuant to Ordinance
No. __________, which was passed on __________, 2018, together the “Parties.”

RECITALS

WHEREAS, SAWS will provide water service to some of the same customers which
will be served by City of Olmos Park’s sanitary sewer system service; and

WHEREAS, the City of Olmos Park is a general law municipality located in the San
Antonio area and is adjacent to SAWS’ water and sewer wastewater service areas; and

WHEREAS, SAWS and City of Olmos Park entered into a Sewer Billing Agreement in
____________ under which SAWS agreed to provide the City of Olmos Park with
billing services for sewer service charges to certain of its customers which provided for
renewal on a year-to-year basis for up to five (5) years after the effective date; and

WHEREAS, the initial five (5) year term of the ______________ agreement of
year-to-year renewals has passed and, the agreement remains in effect until a successor
agreement is executed between the parties; and

WHEREAS, the City of Olmos Park has offered to pay SAWS to provide the City of
Olmos Park with billing services for sewer service charges to certain of its customers;
and

WHEREAS, SAWS has accepted the offer of City of Olmos Park to continue to perform
sewer billing services under a new agreement on a year-to-year basis for up to a total
term of five (5) years with a provision that service may continue to be provided after this
term until a successor agreement is executed between the parties; NOW THEREFORE:

The Parties hereto agree as follows:
1.00 **Purpose and Scope of Services.**

1.01 **Purpose.** The Parties acknowledge that the intent of this Agreement is for SAWS to provide City of Olmos Park with billing services for sewer service charges fees to its customers.

1.02 **Scope of Services**

(a) SAWS shall only bill customers of City of Olmos Park who also receive SAWS’ water service. SAWS shall bill such customers for City of Olmos Park’s sewer service charges at rates determined by City of Olmos Park per month for each customer for each service and shall receive the payments made for such charges. Such rates are to be determined by the City of Olmos Park and approved by the Texas Public Utility Commission, and as may be amended.

(b) SAWS shall provide the City of Olmos Park with the names and addresses of new water accounts as they are established. The City of Olmos Park agrees to be solely responsible for responding to questions from customers and for resolving all customer issues with respect to the administration and assessment of wastewater charges. Furthermore, the City of Olmos Park will be responsible for informing SAWS of billing adjustments needed to be made for individual customer accounts. In no event, however, shall SAWS be required to make any retroactive billing adjustments.

(c) In addition to notifying SAWS of the initial rates to be billed for sewer services to each customer by SAWS, City of Olmos Park shall notify its customers and SAWS in writing of any changes in the rates for sewer service charges, including the dates such rates are to be applied to billing not less than thirty (30) days prior to the scheduled billing date of City of Olmos Park’s customers. Furthermore, if City of Olmos Park’s establishes a sewer services rate in terms of a cost per hundred cubic feet, City of Olmos Park shall provide SAWS a converted sewer service rate amount in terms of a cost per hundred gallons for use by SAWS for customer consumption billing purposes.

(d) The first billing hereunder shall be made as determined by agreement between management of City of Olmos Park and SAWS. SAWS shall bill City of Olmos Park’s customers thereafter at the same periods and on the same cycle of approximately 30 days’ duration for which it bills for its own water service to said customers. SAWS shall utilize its standard billing and collection procedures.
2.0 Term and Expiration of Services

2.01 The effective date of this Agreement shall be on the date of execution by both parties and after the final approval by both the SAWS Board and the City of Olmos Park. SAWS shall begin to provide services identified in the Agreement upon receipt of City of Olmos Park’s written authorization to proceed.

2.02 This term of this Agreement shall be automatically renewed on a year-to-year basis for up to five (5) years after the effective date unless notice is given prior to the renewal. The terms of this Agreement may remain in effect after the expiration date until a successor agreement is executed between the parties so long as neither party notifies the other party in writing of its intent to terminate this Agreement.

3.00 Payment for Services

3.01 Fees. The City of Olmos Park shall pay SAWS the following fees for its services related to billing and collection of charges:

(a) $0.85 per customer per billing period.

(b) 0.8% of gross billings per billing period to cover uncollectible billings.

(c) Such Fees are subject to change on January 1 of each year. The Fee will be based upon an allocation of SAWS’ cost of providing customer service and billing functions. Prior to January 1 of each year, SAWS will notify City of Olmos Park of any such adjustment in Fees.

(d) Up to a limit stated below, City of Olmos Park’s shall be responsible for the set-up costs of changing the automated billing system of SAWS to accommodate City of Olmos Park’s new or modified wastewater billing requirements. SAWS shall provide a detailed statement of final set-up costs within 60 days of the initiation of wastewater billing services for the City of Olmos Park. Within 60 days of the delivery by SAWS of the statement of set-up costs to City of Olmos Park, City of Olmos Park shall remit to SAWS an amount equal to SAWS’ stated costs; however, this amount shall be no greater than $5,000.00. SAWS reserves the right to discontinue wastewater billing services in the event of non-payment of the set-up costs by the stated deadline.

3.02 Remittance.

(a) By the 15th day of the first month after the month in which the last applicable billing cycle ended, SAWS shall furnish to City of Olmos Park a Sewer Accounts Billable Consumption Report and a Billing Summary Report for sewer accounts.
(b) By the 15th day of the first month after the month in which the last applicable billing cycle ended, SAWS shall furnish to City of Olmos Park a Billing Summary Report for sewer accounts.

(c) After deducting (1) applicable per customer billing charges, (2) 0.8% of gross billings to cover uncollectible billings, (3) all applicable customer late penalty fees, and (4) all applicable adjustments to sewer billings made as a result of customer inquiry according to adjustment guidelines established by City of Olmos Park, SAWS shall remit the net amount to City of Olmos Park by the 15th day of the first month after the month in which the last applicable billing cycle ended.

(d) Any adjustments or corrections needed to the above remittance to the City of Olmos Park shall be made by SAWS in the following month's remittance.

(e) The Sewer Water Accounts Billable Consumption Report, the Billing Summary Report to be provided to City of Olmos Park by SAWS under Section 3.02(a) above and the Winter Average Reports (the “Reports”) billing rate will be submitted in an electronic format mutually acceptable to both Parties. The City of Olmos Park will designate in writing the name and contact information of City of Olmos Park’s employee to receive the Reports.

4.0 Liability, Indemnity, and Insurance

4.01 SAWS shall not be responsible for any direct, indirect, consequential or incidental damages of any kind or nature that result from or are related to SAWS’ conduct under this Agreement.

4.02 To the extent allowed by law, each Party agrees to indemnify and hold harmless the other Party, its officers, agents, and employees, from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys’ fees, for injury to or death of any person, or for damage to any property, arising out of, or in connection with, SAWS’ provision of the billing services, contemplated under this Agreement, where such injuries, death or damages are caused by the joint negligence of each Party, its employees, contractors, or agents. It is the EXPRESSED INTENTION of both Parties to this Agreement that the indemnity provided for in this paragraph is INDEMNITY BY each Party TO INDEMNIFY AND PROTECT the other Party from the consequences of its own comparative share of negligence. Since SAWS shall be performing governmental functions on behalf of City of Olmos Park’s, City of Olmos Park’s shall further assist SAWS in asserting any and all sovereign governmental immunity rights or limitations in defending any claims made against SAWS related to any work performed on behalf of City of Olmos Park’s.
4.03 Both parties shall name the other party as an additional insured under its current respective insurance policy, maintain the additional insured requirement throughout the term of this Agreement, and furnish certificates of coverage to the other party upon request, including, a Certificate of Insurance coverage indicating the Commercial General Liability policy data and the Additional Insured endorsement.

4.04 Billing errors. SAWS shall not be responsible to City of Olmos Park’s or its customers for any over billings or under-billings of City of Olmos Park’s sewer customers. Any refunds for over-billings will be paid for by, and be the responsibility of City of Olmos Park’s and City of Olmos Park’s shall have the authority to decide whether to back bill customers who were under-billed so long as it is consistent with applicable law. Any such back-billing shall be done at City of Olmos Park’s discretion and expense.

4.05 Record Keeping. The City of Olmos Park will be responsible for reviewing all Billing data and shall notify SAWS of any Billing issues within 30 days of a billing issue.

5.0 Alterations to Agreement and Scope of Work

No amendments to this Agreement shall be considered valid by either Party unless they are in writing and approved by each Party's respective governing body.

6.0 Default and Termination

6.01 If either Party breaches any term, or terms, of this Agreement, then the breaching party shall have thirty (30) days from the date that it receives written notification of the breach from the other Party to commence good faith efforts to cure such breach. If the breach has not been cured within a reasonable period of time, then the non-breaching Party may terminate this Agreement by providing thirty (30) days written notice of its intent to terminate.

6.02 This Agreement may be unilaterally terminated at will, without cause, by either party upon written notice by certified mail ninety (90) days in advance of the desired effective date of termination.

7.0 Miscellaneous Provisions

7.01 Assignment. No assignment of this Agreement, in whole or in part for
any purpose shall be made by either City of Olmos Park or SAWS without
the prior written consent of the other Party. Subject to this limitation, this
Agreement shall bind and inure to the benefit of the successors and assigns of
the Parties.

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

**If to City of Olmos Park:**

City of Olmos Park

__________________
__________________
__________________

**If to SAWS:**

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

These addresses and addresses may be changed by either Party by notice
in writing to the other Party.

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

7.04 Severability. If for any reason, any one or more paragraphs of this
Agreement are held legally invalid, such judgment shall not prejudice,
affect, impair or invalidate the remaining paragraphs of the Agreement as a
whole, but shall not be confined to the specific paragraphs, clauses, or
paragraphs of this Agreement held legally invalid.

7.05 Entire Agreement. This Agreement constitutes the entire Agreement
between the Parties hereto and supersedes all prior Agreements,
understandings, and arrangements, oral or written, between the parties thereto
with respect to the subject matter hereof.

7.06 Governing Law and Venue. This Agreement shall be construed and
enforced in accordance with and governed by the laws of the State of Texas
and the venue for any cause of action shall be brought in Bexar County, Texas.

7.07 Execution in Counterparts. This Agreement 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 one and the same instrument.

7.08 No Waivers. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

7.09 Authority to Agreement. City of Olmos Park’s hereby affirms that it has the authority to enter into this Agreement. SAWS hereby affirms that it has the authority to enter into this Agreement pursuant to a duly adopted resolution of its Board of Trustees and that the President/Chief Executive Officer has the authority to execute this Agreement. Each party certifies that the services specified above are necessary and essential for activities that are properly within the statutory functions of each party and serve the interest of efficient and economical administration of each entity.

7.10 No Third Party Beneficiaries. Nothing in this Agreement shall entitle any third party to any claim, cause of action, remedy, or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third party beneficiary contract.

7.11 Force Majeure. By reason of Force Majeure, a Party shall be rendered unable in whole or in part to carry out its obligations under this Agreement in accordance with the terms and conditions of this Agreement, it shall not be considered a breach of this Agreement. The term "Force Majeure" as used in this Agreement shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of the public enemy, orders of any kind of the federal or state government, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, the partial or entire failure of a Party, or any other causes not reasonably within the control of a Party.
City of Olmos Park:

By: ________________________________
Name: 
Title: 

SAN ANTONIO WATER SYSTEM:

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

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on ____________, 2018, by ________________, City Administrator of City of Olmos Park, a general law municipality and political subdivision of the State of Texas.

____________________________________
   Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on ____________, 2018, by Robert R. Puente, President/Chief Executive Officer of the San Antonio Water System, a Texas municipal corporation, on behalf of said corporation.

____________________________________
   Notary Public, State of Texas
AGENDA ITEM NO. 26

TO: San Antonio Water System Board of Trustees

FROM: Gregg Eckhardt, Senior Resource Analyst, and Donovan S. Burton, Vice President, Water Resources and Governmental Relations

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MITCHELL LAKE CONSTRUCTED WETLAND PHASE 1 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Jerdon Enterprise, LP, a local SBE firm, in the amount of $1,069,069.00 in connection with the Mitchell Lake Constructed Wetland Phase 1 Project (the “Project”).

- Mitchell Lake is a 600 acre body of water owned by the San Antonio Water System (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 that requires compliance with the permit requirements and applicable federal regulations.

- The System’s Board of Trustees on October 10, 2017, by Resolution No. 17-233, approved $1,321,490.00 for Phase 1 of the System’s study at Mitchell Lake by Alan Plummer and Associates, Inc. (APAI). 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 likely be complete in 2020.

- The contract with APAI for the Phase 1 study includes the design, construction management, and operation of a pilot scale wetlands (Mitchell Lake Constructed Wetland Phase 1 Project).

- The Project is to be performed by a construction contractor under a separate contract with the System.

- Construction of the Project is estimated to be complete within five months, and the grow-in period for the aquatic macrophytes is estimated to be two months. After the construction and grow-in period is complete, APAI will operate the pilot wetlands for one year.
• Upon completion of the Phase 1 study and evaluation, and pending the results of the Phase I study, Phase 2 of the project may begin in 2021. Phase 2 may include the design and construction of the full scale downstream wetlands, in-lake treatment as appropriate, and rehabilitation of the dam and spillway as appropriate.

• The Project includes construction of six wetland pilot cells, installation of a floating submersible pump station and four flow control structures, and associated piping, fencing, paving, planting aquatic vegetation, electrical and instrumentation and controls work, and operation of the pilot system during the grow-in period.

• Jerdon Enterprise, LP has submitted the lowest responsible bid of $1,069,069.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2019 Capital Improvement Program. This project is included in the Wastewater Core Business, Treatment Category, Mitchell Lake Constructed Wetland Pilot Project budget line item. The amount is $1,069,069.00 for wastewater related work under job number 15-6503.

SUPPLEMENTARY COMMENTS:

Alan Plummer and Associates, Inc. prepared the plans and specifications for this project. The engineer’s estimated construction cost was $949,000.00.

A bid opening was held on November 13, 2018 at 10:00 a.m. The following bids were submitted and found to be responsive.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
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</thead>
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<tr>
<td>Engineer’s Estimate</td>
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<tr>
<td>Jerdon Enterprise, LP*</td>
<td>$1,069,069.00</td>
<td>Local/SBE</td>
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<tr>
<td>Shannon-Monk, Inc.</td>
<td>$1,147,800.00</td>
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</table>

*Lowest Responsible Bidder

The bid amount represents a 12.65 percent increase from the estimated construction cost.
Additionally, the overall SMWVB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>Mitchel Lake Constructed Wetland Phase 1 Project</th>
<th>Jerdon Enterprise, LP</th>
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<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
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<tr>
<td>SBE</td>
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<td>MBE–African American</td>
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<td>MBE–Asian</td>
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<td>MBE–Hispanic</td>
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<td>WBE–Minority</td>
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<tr>
<td>WBE–Non–Minority</td>
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<tr>
<td>SMWVB Total</td>
<td>95.04%</td>
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</tbody>
</table>

Gregg Eckhardt
Senior Resource Analyst
Office of the Chief Operating Officer & Senior VP

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO JERDON ENTERPRISE, LP IN AN AMOUNT NOT TO EXCEED $1,069,069.00 IN CONNECTION WITH THE MITCHELL LAKE CONSTRUCTED WETLAND PHASE 1 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,069,069.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH JERDON ENTERPRISE, LP, AND TO PAY JERDON ENTERPRISE, LP AN AMOUNT NOT TO EXCEED $1,069,069.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is evaluating and implementing one or more natural processes to treat the water leaving Mitchell Lake; and

WHEREAS, the System’s Board of Trustees on October 10, 2017, by Resolution No. 17-233, approved a contract with Alan Plummer and Associates, Inc. (APAI) for Phase 1 of the System’s study at Mitchell Lake; and

WHEREAS, Phase 1 is to study whether the System can construct wetlands downstream of Mitchell Lake to achieve compliance with the System’s permit; and

WHEREAS, Phase 1 will likely be complete in 2020 and includes the construction and operation of a pilot wetlands system, evaluating the possibility of in-lake treatment, and evaluating rehabilitation of the dam and spillway; and

WHEREAS, the contract with APAI for the Phase 1 study includes the design, construction management, and operation of a pilot scale wetlands (Mitchell Lake Constructed Wetland Phase 1 Project); and

WHEREAS, construction of the Mitchell Lake Constructed Wetland Phase 1 Project is to be performed by a construction contractor under a separate contract with the System; and
WHEREAS, the Mitchell Lake Constructed Wetland Phase 1 Project includes construction of six wetland pilot cells, installation of a floating submersible pump station and four flow control structures, and associated piping, fencing, paving, planting aquatic vegetation, electrical and instrumentation and controls work, and operation of the pilot system during the grow-in period; and

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

WHEREAS, Jerdon Enterprise, LP, a local SBE contractor, is declared the lowest responsible bidder, and has submitted the low responsible bid of $1,069,069.00 for the project work; and

WHEREAS, System funds in the amount of $1,069,069.00 are required for the project work; and

WHEREAS, the total amount of $1,069,069.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Jerdon Enterprise, LP in an amount not to exceed $1,069,069.00 in connection with the Mitchell Lake Constructed Wetland Phase 1 Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,069,069.00 from the 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 Jerdon Enterprise, LP, and to pay Jerdon Enterprise, LP an amount not to exceed $1,069,069.00 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $1,069,069.00 is hereby awarded to Jerdon Enterprise, LP, who is determined to be the lowest responsible bidder, in connection with the Mitchell Lake Constructed Wetland Phase 1 Project.

2. That the expenditure of funds in an amount not to exceed $1,069,069.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Jerdon Enterprise, LP, and to pay Jerdon Enterprise, LP an amount not to exceed $1,069,069.00 for 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 4th day of December, 2018.

__________________________
Berto Guerra, Jr. Chairman

ATTEST:

__________________________
Amy Hardberger, 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 A JOINT FUNDING AGREEMENT WITH THE UNITED STATES GEOLOGICAL SURVEY

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Joint Funding Agreement ("Agreement") between the San Antonio Water System (SAWS) and the United States Geological Survey (USGS) for a water budget study on the surface water and groundwater system of the Medina Lake and Medina River. The study will monitor the river both upstream and downstream of the lake for the period ending on December 31, 2019. The attached resolution also authorizes the President/Chief Executive Officer or his duly appointed designee to execute the Agreement and pay USGS amount not to exceed $95,000.00.

SAWS has worked for many years with the USGS on collaborative data collection efforts on various projects. The proposed water budget study, which is currently in the second year of monitoring, is part of a multi-year monitoring initiative designed to better quantify the various flowpath components within the Medina surface water and groundwater system. The length of the study will be determined by the availability of data needed relying on the lake levels exhibited within the Medina system. Filling in these data gaps will help USGS determine the full range of recharge potential within the Medina system. This important work will lay the foundation for potential compensation from the Edwards Aquifer Authority (EAA), based on the amount of Edwards Aquifer recharge that the study might verify perfected through the use of SAWS 19,974 acre-feet per year of Medina Lake rights contracted through Bexar-Medina-Atascosa Water Control and Improvement District #1.

USGS will carefully measure inputs and outputs from the Medina surface water and groundwater system. The work includes operating and maintaining four new gaging stations (three streamflow and one lake elevation), as well as one evapotranspiration station. When sufficient data has been collected over a wide range of hydrologic conditions, the new data will be incorporated into the new regression equation for estimating recharge, and published in a USGS report. The cost for operations & maintenance in CY2019 is $95,000.00.

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

The items/services will be paid from System funds budgeted in 2019 budgets (Company: 1000, Accounting Unit: 5006000, Account: 511312, Total 2019 amount: $95,000.00).

Darren Thompson
Director
Water Resources

Donovan Burton
Vice President
Water Resources & Governmental Relations

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A JOINT FUNDING AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM AND THE UNITED STATES GEOLOGICAL SURVEY FOR MEASURING INPUTS AND OUTPUTS OF THE MEDINA SURFACE WATER AND GROUNDWATER SYSTEM FOR THE PERIOD ENDING ON DECEMBER 31, 2019 IN AN AMOUNT NOT TO EXCEED $95,000.00; AUTHORIZING THE EXPENDITURE OF FUNDS FOR FISCAL YEAR 2019 FROM THE SYSTEM FUND TO PAY FOR OBLIGATION INCURRED PURSUANT TO THE JOINT FUNDING 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, the San Antonio Water System (the “System”) and the United States Geological Survey (the “USGS”) have entered into cooperative research and monitoring programs for over a decade; and

WHEREAS, the Joint Funding Agreement (the “Agreement”) developed for the period ending on December 31, 2019 include gaging inputs and outputs from the Medina surface water and groundwater systems; and

WHEREAS, the Agreement will help determine the full range of Edwards Aquifer recharge potential within the Medina system; and

WHEREAS, the Agreement is in the best interests of the System customers and all the citizens of San Antonio; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Agreement between the System and the USGS in an amount not to exceed $95,000.00, (ii) to authorize the expenditure of funds for fiscal year 2019 from the System Fund to pay for obligations incurred pursuant to the Agreement, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Agreement with the USGS, and to pay the USGS an amount not to exceed $95,000.00 pursuant to the Agreement; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:
1. That the Agreement between the System and the USGS in an amount not to exceed $95,000.00 attached hereto as Attachment I is hereby approved.

2. That expenditures for fiscal year 2019 are hereby available and is hereby authorized to be expended from the System Fund to pay for obligations incurred pursuant to the Agreement.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Agreement between the System and the USGS, and to pay the USGS an amount not to exceed $95,000.00 pursuant to 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 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, 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 4th day of December, 2018

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Attachment I: SAWS/USGS Joint Funding Agreement
This Agreement is entered into as of the January 1, 2019, by the U.S. Geological Survey, Texas Water Science Center, United States Department of the Interior, party of the first part, and the San Antonio Water System, party of the second part.

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

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

(a) $0 by the party of the first part during the period January 1, 2019 to December 31, 2019
(b) $95,000 by the party of the second part during the period January 1, 2019 to December 31, 2019
(c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: $0
   Description of the USGS regional/national program:
   (d) Additional or reduced amounts by each party during future period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
   (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

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

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

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

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

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

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program, and if already published by the party of the first part, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (https://www2.usgs.gov/fsp/).
9. Billing for this agreement will be rendered quarterly. Invoices not paid within 60 days from the billing date will bear interest, penalties, and administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C. § 3717) established by the U.S. Treasury.

USGS Technical Point of Contact
Name: Douglas Schnoebelen
Associate Director - South Texas Program
Address: 5563 DeZavala Road Suite 290
San Antonio, TX 78249
Telephone: (210) 691-9262
Fax: (210) 691-9270
Email: dschnoebelen@usgs.gov

USGS Billing Point of Contact
Name: Kandis Becher
Budget Analyst
Address: 501 W. Felix Street Bldg 24
Fort Worth, TX 76115
Telephone: (682) 316-5051
Fax: (682) 316-5022
Email: kkbecher@usgs.gov

San Antonio Water System

Signatures
By __________ Date: 09/18/2018
Name: Jennifer J. Wilson
Title: Acting Director
**San Antonio Water System**

**19SJJFATX038020**

**Brief Study Description:** Phase 2 will measure inputs and outputs from the Medina/Diversion Lake system. The work includes O&M for four gaging stations (three streamflow and one lake elevation) as well as one evapotranspiration station.

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<tr>
<th>Station Number</th>
<th>Description</th>
<th>USGS Funds</th>
<th>SAWS Funds</th>
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**MEDINA LAKE PHASE 2:**

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**AGREEMENT TOTAL:**

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<td>AGREEMENT TOTAL</td>
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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 CONSTRUCTION OF ELECTRICAL SERVICE FOR THE VISTA RIDGE REGIONAL SUPPLY PROJECT INTERMEDIATE PUMP STATION 2 FACILITIES

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves payment of funds to Guadalupe Valley Electric Cooperative (GVEC) a non-local, non-profit 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 $250,000.00 for the remaining labor and materials to complete 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 Funds
Construction of Electrical Infrastructure
Vista Ridge Project

• The amount of $250,000.00 provides funds to GVEC for the remaining materials and labor to complete construction of the overhead electrical service feeder serving the Intermediate Pump Station 2 Facilities located near Seguin, Texas in Guadalupe County. This is the last of three requests for funds in association with the agreement with GVEC. The full value of the three payment requests from GVEC for electrical service to Intermediate Pump Station 2 is $850,000.00.

• The Vista Ridge Regional Supply Intermediate Pump Station 2 falls within GVEC’s exclusive service area.

• The scope of services for this payment request includes the remaining labor and materials for 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).

Marty Jones, P.E.
Manager
Water Resources Engineering

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 PAYMENT OF FUNDS TO GUADALUPE VALLEY ELECTRIC COOPERATIVE IN AN AMOUNT NOT TO EXCEED $250,000.00 IN CONNECTION WITH THE CONSTRUCTION OF ELECTRICAL FACILITIES FOR THE VISTA RIDGE REGIONAL SUPPLY PROJECT INTERMEDIATE PUMP STATION 2 IN FULFILLING OBLIGATIONS TO ESTABLISH ELECTRIC POWER SERVICE; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $250,000.00 FROM THE SYSTEM FUND FOR ELECTRICAL POWER SERVICE CONSTRUCTION; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement (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; 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 $250,000.00 for the remaining materials and labor to complete construction of the overhead electrical service feeder serving the Intermediate Pump Station 2 Facilities located near Seguin Texas in Guadalupe County. This is the last of three
requests for funds in association with the agreement with GVEC. The full value of the three payment requests from GVEC for electrical service to Intermediate Pump Station 2 is $850,000.00; 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 remaining labor and materials for 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 $250,000.00 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 $250,000.00 for the remaining materials and labor to complete the project work in connection with the Vista Ridge Regional Supply Project, (ii) to authorize and make available an amount not to exceed $250,000.00 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 $250,000.00 to complete the project work; now, therefore:

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

1. That a payment to GVEC in an amount not to exceed $250,000.00 for construction materials to complete the project work in connection with the Vista Ridge Regional Supply Project is hereby approved.

2. That an amount not to exceed $250,000.00 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 $250,000.00 to complete construction of the electrical power service for the Intermediate Pump Station 2 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 4th day of December 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Carlos R. Mendoza, Director, Fleet and Facilities Management, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

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

SUBJECT: AUTHORIZATION FOR THE EXTENSION OF A SERVICES CONTRACT IN CONNECTION WITH CAFETERIA, VENDING AND RELATED SERVICES

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached Resolution authorizes the extension of a services contract with Aramark Services, Inc. to provide cafeteria, vending and related services for the San Antonio Water System (SAWS). SAWS agrees to pay Aramark Services, Inc., an amount not to exceed $133,126.00 for cafeteria, vending and related services for the one-year contract extension.

- An on-site food service provider offers convenience and time savings for employees, individuals attending workshops, Board meetings, training sessions and other organized events.

- SAWS has offered cafeteria, vending and related services to its employees and employees from adjacent office buildings through Aramark Services Inc., since 2006.

- The Board approved Resolution No. 12-520 on December 4, 2012, which authorized a contract to Aramark Services, Inc. for a term of January 1, 2013 through December 31, 2017. The term of the Agreement was renewable for three additional one-year terms by Client.

- The Board approved Resolution No. 17-276 on December 5, 2017, which authorized a contract extension to Aramark Services, Inc., for a term of January 1, 2018 through December 31, 2018.

- A contract extension is required by January 1, 2019, if SAWS is to continue offering such services to employees and employees from adjacent office buildings.

- The contract amount shall not exceed $133,126.00 for this contract extension.

Staff recommends that the Board approve this Resolution.
Approval of Services Contract
Cafeteria, Vending and related services

FINANCIAL IMPACT:

Funds for the services to be provided during FY 2019 will be paid from System Funds budgeted in the 2019 budget, (Company: 1000, Account: 511312, Accounting Unit: 5020600) for cafeteria, vending and related services in an amount not to exceed $133,126.00.

Carlos R. Mendoza
Director
Fleet and Facilities Management

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

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A ONE-YEAR CONTRACT EXTENSION WITH ARAMARK SERVICES, INC. IN AN AMOUNT NOT TO EXCEED $133,126.00 IN CONNECTION WITH CAFETERIA, VENDING AND RELATED SERVICES; APPROVING THE EXPENDITURE FROM THE SYSTEM FUND FOR SUCH SERVICES IN AN AMOUNT NOT TO EXCEED $133,126.00 FOR THE PERIOD OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2019; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A SERVICES CONTRACT WITH ARAMARK SERVICES, INC., AND TO PAY ARAMARK SERVICES, INC. AN AMOUNT NOT TO EXCEED $133,126.00 FOR THE PERIOD OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2019 IN CONNECTION WITH CAFETERIA, VENDING, AND RELATED SERVICES; FINDING THIS RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, it is advantageous for the San Antonio Water System (the “System”) to provide food service and dining facilities to its employees, improving productivity by allowing employees to remain on site during breaks and lunch, reducing tardiness and encouraging interaction between employees; and

WHEREAS, an on-site food service provider offers convenience and time savings for employees, and service for individuals attending workshops, Board meetings, training sessions or other organized events and the System has realized an efficiency benefit by having these services on site; and

WHEREAS, on December 4, 2012, the Board of Trustees by Resolution No. 12-520 approved a services contract with Aramark Services, Inc. to provide the System with cafeteria, vending and related services; and

WHEREAS, on December 5, 2017, the Board of Trustees by Resolution No. 17-276 approved an extension to the services contract through December 31, 2018, with Aramark Services, Inc. to provide the System with cafeteria, vending and related services; and

WHEREAS, the System has provided this service to employees since 2006 and wishes to continue offering such services; and
WHEREAS, the on-site food service provider will offer catering services which will be funded through individual department catering budgets, and;

WHEREAS, the System will provide food service and vending facilities, completely equipped and ready to operate and is responsible for the direct costs of repairs or replacement of such equipment; and

WHEREAS, Aramark Services, Inc., will perform daily routine maintenance of the food preparation and service area, and is responsible for compliance with all safety and health laws and regulations regarding the food service facilities; and

WHEREAS, the operating year of the contract is January 1 to December 31; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve a one-year contract extension with Aramark Services, Inc. in an amount not exceed $133,126.00 in connection with cafeteria, vending, and related services, (ii) to authorize expenditures from the System Fund in an amount not to exceed $133,126.00 for the period of January 1, 2019 through December 31, 2019, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract extension with Aramark Services, Inc., and to pay Aramark Services, Inc. an amount not to exceed $133,126.00 for the period of January 1, 2019 through December 31, 2019 in connection with cafeteria, vending, and related services; now, therefore:

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

1. That a one-year contract extension with Aramark Services, Inc. in an amount not to exceed $133,126.00 in connection with cafeteria, vending, and related services is hereby approved.

2. That expenditures in an amount not to exceed $133,126.00 for the period of January 1, 2019 through December 31, 2019, are hereby authorized to be expended from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Aramark Services, Inc., and to pay Aramark Services, Inc. an amount not to exceed $133,126.00 from January 1, 2019 through December 31, 2019, in connection with cafeteria, vending, and related services.

4. That the System’s staff is directed to return to the Board of Trustees at the appropriate times to seek authorization of contract extensions and related expenditures to Aramark Services, Inc., for the provision of cafeteria, vending and related services.

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 4th day of December, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Gavino R. Ramos, Vice President, Communications and External Affairs

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

SUBJECT: AWARDING A SERVICES CONTRACT FOR CREATIVE DEVELOPMENT AND MARKETING SERVICES

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a services contract to The DeBerry Group, LLC, a local WBE-Caucasian firm, to provide marketing and creative services for San Antonio Water System (SAWS). The term for the contracted services will be for approximately a two-year period ending December 31, 2020, with a one-year option to extend.

- The contractual agreement includes a one-year option to extend that can be activated pending the recommendation of staff and the approval of the President/Chief Executive Officer.

- The amount of the contractual agreement with The DeBerry Group, LLC is in an amount not to exceed $175,000.00 per calendar year starting with approval from the Board of Trustees for approximately a twenty-four month period (January 1, 2019 – December 31, 2020).

- The DeBerry Group, LLC will provide the following services for SAWS under this contractual agreement: develop and expand an annual strategic communications/marketing plan to reach the public and key stakeholders; implement major components of SAWS communication plan, adapt /develop creative concepts and messaging, develop and execute advertising campaigns, strategic messaging, assist with paid media coordination, events coordination, and social/emerging media consultation. They may also be asked to assist in other project-related matters that are not specifically covered in the scope of services.

- A Request for Proposal was issued and four qualified agencies responded. The DeBerry Group, LLC was selected as the proposal offering the best value to SAWS.

- The DeBerry Group, LLC was the incumbent creative firm and has provided marketing and public relations services for SAWS.

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

These services will support both Operations and Maintenance activities and Capital Improvement Projects. These services will be paid from the System Fund and the Project Fund in 2019 based on the service provided, and subsequent expenditures will be made pursuant to and contingent upon Board approval of the subsequent year’s budget.

The Operations and Maintenance portion of expense will be paid from the System Fund budgeted in the 2019 budget (Company: 1000, Accounting Unit: 511312, Account: 5002500). Charges related to the Capitalized expenses will be charged to the Capital Improvement Projects jobs.

The combined expenditures for Operations and Maintenance expenses and Capital Improvement Project charges are not to exceed $175,000.00 per calendar year.

SUPPLEMENTARY COMMENTS:

SAWS staff prepared specifications for this project.

The Request for Proposals was posted on the San Antonio Water System’s website for three weeks, advertised publicly, and invitations to bid were extended to marketing and public relations firms throughout the city. The following responses were received:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguillon &amp; Associates, LLC</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>aMAEzing, LLC</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Atkins International, LLC</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>The DeBerry Group, LLC*</td>
<td>Local/WBE-Caucasian</td>
</tr>
</tbody>
</table>

*Selected Firm

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

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<thead>
<tr>
<th>Marketing and Creative Services</th>
<th>The Deberry Group, LLC</th>
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<td>SMWVB Analysis – Board Award</td>
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<tr>
<td>SBE</td>
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<tr>
<td>MBE–African American</td>
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<tr>
<td>MBE–Asian</td>
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<tr>
<td>MBE–Hispanic</td>
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<tr>
<td>MBE–Other</td>
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<tr>
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<tr>
<td>WBE–Non–Minority</td>
<td>100.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Award of Services Contract
Creative Development and Marketing Services

Gavino R. Ramos
Vice President
Communications and External Affairs

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A SERVICES CONTRACT TO THE DEBERRY GROUP, LLC IN AN AMOUNT NOT TO EXCEED $350,000.00, FOR THE PERIOD OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2020 WITH A ONE-YEAR OPTION TO EXTEND, FOR CREATIVE DEVELOPMENT AND MARKETING SERVICES; APPROVING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $350,000.00 BE MADE AVAILABLE FROM THE SYSTEM AND PROJECT FUNDS, AND THAT SUBSEQUENT EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF SUBSEQUENT YEARS’ BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A SERVICES CONTRACT WITH THE DEBERRY GROUP, LLC, AND TO PAY THE DEBERRY GROUP, LLC AN AMOUNT NOT TO EXCEED $350,000.00 FOR CREATIVE DEVELOPMENT AND MARKETING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) Board of Trustees, staff and the System’s citizen committees have supported developing and maintaining communications outreach programs; and

WHEREAS, performing such outreach to the public is of major importance to the System; and

WHEREAS, the System issued a Request for Proposals to obtain proposals from advertising and marketing agencies based in San Antonio to provide creative development and marketing services in support of the System’s communications efforts; and

WHEREAS, The DeBerry Group, LLC, a local WBE-Caucasian firm, was selected as the best and most qualified firm to represent the System; and

WHEREAS, an amount not to exceed $350,000.00 is required from the System and Project Funds; and
WHEREAS, the San Antonio Board of Trustees desires (i) to award a services contract to The DeBerry Group, LLC in an amount not to exceed $350,000.00, for the period of January 1, 2019 through December 31, 2020 with a one-year option to extend, for creative development and marketing services, (ii) to approve an amount not to exceed $350,000.00 be made available from the System and Project Funds, and that subsequent expenditures be made pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures, (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a services contract with The DeBerry Group, LLC, and to pay The DeBerry Group, LLC an amount not to exceed $350,000.00 for creative development and marketing services; now, therefore:

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

1. That a services contract is hereby awarded to The DeBerry Group, LLC in an amount not to exceed $350,000.00, for the period of January 1, 2019 through December 31, 2020 with a one-year option to extend, for creative development and marketing services.

2. That an amount not to exceed $350,000.00 is hereby made available from the System and Project Funds, and that subsequent expenditures are made pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a services contract with The DeBerry Group, LLC, and to pay The DeBerry Group, LLC an amount not to exceed $350,000.00 for creative development and marketing services.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 4th day of December, 2018.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________________
Amy Hardberger, Secretary
TO: San Antonio Water System Board of Trustees
FROM: Steven Clouse, Senior Vice President/Chief Operating Officer, and Nancy Belinsky, Vice President/General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AUTHORIZATION TO EXECUTE A SETTLEMENT AGREEMENT WITH ZACHARY PARSONS WATER RESOURCES JOINT VENTURE CONCERNING CLAIMS RELATED TO THE CONSTRUCTION MANAGER AT RISK AGREEMENT FOR THE SAN ANTONIO WATER SYSTEM BRACKISH GROUNDWATER DESALINATION PROGRAM

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the execution of a Full and Final Compromise and Settlement Agreement with Zachary Parsons Water Resources Joint Venture (the “CMAR”).

- San Antonio Water System (the “System”) and CMAR executed the Construction Manager at Risk Agreement dated December 4, 2012 (the “CMAR Agreement”) for the San Antonio Water System Brackish Groundwater Desalination Program.

- The parties executed Amendment No. 2 to the CMAR Agreement effective as of January 23, 2017 (the “Amendment”), to resolve certain claims between the Parties and memorialize the agreement of the Parties in respect of the CMAR’s remaining Construction Work responsibilities under the CMAR Agreement.

- Pursuant to the Amendment the CMAR is required to meet certain requirements under the Amendment in order to show completion of Well No. 10, and failing this, the CMAR is required to either drill a new well or forfeit the Well 10 Security in the amount of $2,700,000.00.

- The parties are in disagreement as to whether Well 10 satisfied all of the testing requirements for completion pursuant to Section 4 of the Amendment (the “Dispute”).

- Following a series of negotiations between the System and CMAR, the System and CMAR agreed, subject to approval by the Board of Trustees, to compromise and settle the claims between them pursuant to the terms of a Full and Final Compromise and Settlement Agreement in substantially the form that is Attachment I to the attached Resolution.
Pursuant to the terms of the Full and Final Compromise and Settlement Agreement, the CMAR will pay to the System the sum of $300,000.00.

Under the Settlement the System and CMAR will release each other from any further liability for any claims, demands, damages, or causes of action arising out of the Dispute, with the exception that the System is not releasing CMAR from any claims or rights of System pursuant to the terms of the CMAR Agreement in regards to the construction of the well after acceptance, and CMAR does not release its right to receive any retainage that is due or payable in the term of the CMAR Agreement.

To avoid litigation and further expense, it is in the best interest of the System to execute a Full and Final Compromise and Settlement Agreement with CMAR.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The execution and performance of the Full and Final Compromise and Settlement Agreement with CMAR will result in payment to the System of the sum of $300,000.00.

Steven Clouse  
Senior Vice President/Chief Operating Officer

Nancy Belinsky  
Vice President and General Counsel

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXECUTION OF A FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT WITH ZACHARY PARSONS WATER RESOURCES JOINT VENTURE (CMAR) IN CONNECTION WITH CLAIMS BETWEEN THE SYSTEM AND CMAR ARISING OUT OF A CONSTRUCTION MANAGER AT RISK AGREEMENT FOR THE SAN ANTONIO WATER SYSTEM BRACKISH GROUNDWATER DESALINATION PROGRAM; AUTHORIZING THE SYSTEM TO ACCEPT PAYMENT FROM CMAR IN THE SUM OF $300,000.00; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE A FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT WITH CMAR; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, San Antonio Water System (the “System”) and CMAR executed the Construction Manager at Risk Agreement dated as of December 4, 2012 (the “CMAR Agreement”), for the San Antonio Water System Brackish Groundwater Desalination Program; and

WHEREAS, the Parties executed Amendment No. 2 to the CMAR Agreement effective as of January 23, 2017 (the “Amendment”), to resolve certain claims between the Parties and memorialize the agreement of the Parties in respect of the CMAR’s remaining Construction Work responsibilities under the CMAR Agreement; and

WHEREAS, pursuant to the Amendment the CMAR is required to meet certain requirements under Section 4 of the Amendment in order to show completion of Well No. 10 and failing this, the CMAR is required either drill a new well or forfeit the Well 10 Security in the amount of $2,700,000.00; and

WHEREAS, the Parties are in disagreement as to whether Well 10 satisfied all of the testing requirements for completion pursuant to Section 4 of the Amendment (the “Dispute”); and

WHEREAS, to avoid litigation and expense, CMAR and SAWS have agreed to compromise and settle all of their claims in regard to the Dispute; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve a Full and Final Compromise and Settlement Agreement with CMAR, and (ii) to authorize the System to accept payment from CMAR in the sum of $300,000.00; now, therefore:

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

1. That a Full and Final Compromise and Settlement Agreement between the System and CMAR in substantially the form attached to this resolution as Attachment 1 is hereby approved.

2. That the President/Chief Executive Officer is hereby authorized to execute a Full and Final Compromise and Settlement Agreement with CMAR in substantially the form attached to this resolution as Attachment 1.

3. That the System is hereby authorized to accept from CMAR the sum of $300,000.00 pursuant to the terms of the Full and Final Compromise and Settlement Agreement.

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

5. If any section, paragraph, sentence, phrase, word or part 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 4th day of December, 2018.

______________________________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________________________________________
Amy Hardberger, Secretary

Attachment:
1. Full and Final Compromise and Settlement Agreement
FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT

THIS FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT ("Agreement") is entered into by and between Zachry Parsons Water Resources Joint Venture, a joint venture organized and operating under the laws of the State of Texas, (CMAR) and the San Antonio Water System ("SAWS"), an agency and component unit of The City of San Antonio, a Texas home rule municipality (together the “Parties”).

WHEREAS, SAWS and CMAR executed the Construction Manager at Risk Agreement dated as of December 4, 2012 (the “CMAR Agreement”) for the San Antonio Water System Brackish Groundwater Desalination Program; and

WHEREAS, The Parties executed Amendment No. 2 to the CMAR Agreement effective as of January 23, 2017 (the “Amendment”) to resolve certain claims between the Parties and memorialize the agreement of the Parties in respect of the CMAR’s remaining Construction Work responsibilities under the CMAR Agreement; and

WHEREAS, Pursuant to the Amendment the CMAR is required to meet certain requirements under Section 4 of the Amendment in order to show completion of Well No. 10 and failing this, the CMAR was required to either drill a new well or forfeit the Well 10 Security in the amount of $2,700,000; and

WHEREAS, the Parties are in disagreement as to whether Well 10 satisfied all of the requirements for completion pursuant to Section 4 of the Amendment (the “Dispute”); and

WHEREAS, to avoid litigation and expense, CMAR and SAWS have agreed to compromise and settle all of their claims in regard to the Dispute;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements set forth in this Agreement, CMAR and SAWS agree as follows:

1. In lieu of SAWS retaining the $2,700,000 Well 10 Security, the CMAR agrees to pay SAWS the sum of three hundred thousand dollars ($300,000) as full and final satisfaction of any and all claims by SAWS against CMAR in regards to the requirements for completion of Well No. 10 as follows:
   a. SAWS will release to the CMAR on December 14, 2018 the Well 10 Security in the amount of $2,700,000 less the $300,000 settlement amount agreed to herein for a total release of Well 10 Security of $2,400,000.

2. CMAR agrees that upon execution of this Agreement, and payment by SAWS to CMAR of the $2,400,000 as provided for herein, CMAR its agents, officers, directors, employees, attorneys, representatives and assigns forever release, acquit and discharge SAWS, its agents, officers, employees, trustees, attorneys, representatives and assigns from all claims, demands, liabilities, causes of action, damages, costs, extra costs, delay
damages, and expenses of whatsoever kind or nature, at law or in equity, known or
unknown that CMAR or its agents, officers, directors, employees, attorneys,
representatives or assigns had, now has, or may have in the future that are related to Well
10 or the Dispute. CMAR does not release its right to receive any other payment,
retainage, or incentive that is due or payable pursuant to the terms of the CMAR
Agreement. However, any provision contained herein notwithstanding, CMAR agrees to
waive and forgo any right to receive compensation for the Discretionary Performance
Incentive provided for in Section 7.10 (C) of the Agreement.

3. SAWS agrees that upon execution of this Agreement, and payment by CMAR to SAWS
of the $300,000 as provided for herein, SAWS, its agents, officers, employees, trustees,
attorneys, representatives and assigns forever release, acquit and discharge CMAR its
agents, officers, directors, employees, attorneys, representatives and assigns from all
claims, demands, liabilities, causes of action, damages, costs, extra costs and expenses of
whatsoever kind or nature, at law or in equity, known or unknown that SAWS or its
agents, officers, directors, employees, trustees, attorneys, representatives or assigns had,
now has, or may have in the future that are related to Well 10 or the Dispute.

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

5. CMAR represents and warrants to SAWS, that it presently owns, free and clear of any
lien or encumbrance, rights of control, pledge, or security interests all of the claims,
demands, causes of action, damages and expenses that it has released and discharged in
this Agreement; that CMAR has not assigned, or otherwise transferred to any person or
entity any interest in the claims, demands, causes of action, damages or expenses that it
has released and discharged in this Agreement; and that CMAR presently possesses the
exclusive right to settle all claims and causes of action asserted by it in this Agreement.

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

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

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

9. This Agreement contains the entire and final agreement between the Parties relating to
the compromise and settlement of all matters described in the Agreement. All prior agreements, if any, related to the subject matter of this Agreement are terminated and are of no force or effect.

10. The Parties represent each to the other that they and their duly authorized representatives have read this Agreement and understand it; that they have executed this Agreement with the intent to be fully bound according to its terms; that in signing this Agreement they have relied solely on their own knowledge or their duly authorized representative's knowledge and judgment and/or the advice of their own attorneys and not in reliance upon any representation, advice, statement or action of any kind of the other Party or other Party's representatives or attorneys, except to the extent that such representations, statements, or actions are expressly set forth in this Agreement. The Parties expressly disclaim reliance on any fact or representation made by any other Party or any other Party's representatives or attorneys that is not expressly contained in this Agreement.

11. The construction, enforcement, interpretation and validity of this Agreement shall be governed by the laws of the State of Texas. The obligations of the Parties are performable and venue of any legal action arising out of this Agreement shall lie exclusively in Bexar County, Texas.

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

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

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

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

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

17. This Agreement is made by and for the benefit of the Parties to this Agreement only.
18. Time is of the essence in the performance of every term and provision of this Agreement.

Agreed to, executed and effective as of the date of the last signature by a Party, below.

[Signature Pages Follow]
San Antonio Water System

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

Date: ________________________

STATE of TEXAS §
COUNTY of BEXAR §

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

Given under my hand and seal of office on this ___ day of _____________, 2018.

_____________________________
Notary Public in and for the State of Texas
Zachry Parsons Water Resources Joint Venture.

By its Managing Member

ZACHRY CONSTRUCTION CORPORATION

By:_______________________
Jean J. Abiassi
President and Chief Operating Officer

Date:_____________________

STATE of TEXAS  §
COUNTY of __________  §

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 who acknowledged to me that he executed the same for the
purposes and consideration, and in the capacity therein stated.

Given under my hand and seal of office on this ___ day of ____________, 2018

_____________________________
Notary Public in and for the State of Texas
AGENDA ITEM NO. 32

TO: San Antonio Water System Board of Trustees

FROM: Berto Guerra, Jr., Chairman, San Antonio Water System Board of Trustees

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

SUBJECT: APPROVING A LETTER OF ENGAGEMENT WITH RUBEN BARRERA OF THE LAW FIRM OF LANGLEY & BANACK, INC. TO ACT AS SPECIAL COUNSEL TO THE BOARD FOR THE 2019 CALENDAR YEAR

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the expenditure of an amount not to exceed $73,100.00 for Ruben Barrera of the law firm of Langley & Banack, Inc. to act as Special Counsel to the San Antonio Water System Board of Trustees (the “Board”) for the 2019 calendar year, and granting authority to the Board Chairman to negotiate and execute a letter of engagement for the retention of Ruben Barrera’s legal services for the 2019 calendar year.

- Mr. Barrera has previous experience acting in the capacity as Special Counsel to the Board.

- The Board has been satisfied with the quality of the legal services it has been receiving from Mr. Barrera and wishes to continue a letter of engagement for services.

- It is necessary to authorize the expenditure of an amount not to exceed $73,100.00 to the law firm of Langley & Banack, Inc., for the retention of Mr. Barrera’s legal services for the 2019 calendar year.

- The Chairman of the Board will negotiate and execute a letter of engagement for the retention of Ruben Barrera’s legal services for the 2019 calendar year.

- The substantial form of the engagement letter is attached to the Resolution as Attachment I.

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

Funds for these services were included in the 2019 Annual Operating Budget and will be financed with revenues from the System Fund (Company: 1000, Accounting Unit: 5000300, Account: 511320, Total value of this action is $73,100.00).

Berto Guerra, Jr., Chairman
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF AN AMOUNT NOT TO EXCEED $73,100.00 FROM THE SYSTEM FUND FOR RUBEN BARRERA OF THE LAW FIRM OF LANGLEY & BANACK, INC. TO ACT AS SPECIAL COUNSEL TO THE BOARD FOR THE 2019 CALENDAR YEAR AND GRANTING AUTHORITY TO THE BOARD CHAIRMAN TO EXECUTE A LETTER OF ENGAGEMENT FOR THE RETENTION OF RUBEN BARRERA’S LEGAL SERVICES FOR THE 2019 CALENDAR YEAR; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Ruben Barrera has acted in the capacity as Special Counsel to the San Antonio Water System Board of Trustees (the “Board”) for several years; and

WHEREAS, the Board has been satisfied with the quality of the legal services it has been receiving from Mr. Barrera and wishes to continue a letter of engagement for services; and

WHEREAS, it is necessary to authorize the expenditure of an amount not to exceed $73,100.00 to the law firm of Langley & Banack, Inc. for the retention of Mr. Barrera’s legal services for the 2019 calendar year; and

WHEREAS, the Chairman of the Board will execute a letter of engagement for the retention of Mr. Barrera’s legal services for the 2019 calendar year; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of an amount not to exceed $73,100.00 from the System Fund for Ruben Barrera of the law firm of Langley & Banack, Inc., to act as Special Counsel to the Board for the 2019 calendar year, and (ii) to grant authority to the Board Chairman to execute a letter of engagement for the retention of Ruben Barrera’s legal services for the 2019 calendar year; now, therefore:

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

1. That the expenditure of an amount not to exceed $73,100.00 from the System Fund for Ruben Barrera of the law firm of Langley & Banack, Inc. to act as Special Counsel to the Board for the 2019 calendar year is hereby approved.
2. That authority is hereby granted to the Board Chairman to execute a letter of engagement in substantially the form set forth in Attachment I hereto for the retention of Ruben Barrera’s legal services for the 2019 calendar year.

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

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

5. This Resolution shall become effective immediately upon its passage.

   PASSED AND APPROVED this 4th day of December, 2018.

   ________________________________
   Berto Guerra, Jr., Chairman

   ATTEST:

   ________________________________
   Amy Hardberger, Secretary

   Attachment I – Engagement Letter
December 4, 2018

Mr. Berto Guerra, Jr., Chairman
San Antonio Water System Board of Trustees
2800 U.S. Hwy 281 North
San Antonio, Texas 78212

Re: Legal Representation of San Antonio Water System Board of Trustees

Dear Mr. Guerra:

We appreciate being given the opportunity to represent the San Antonio Water System Board of Trustees ("SAWS Board") in connection with its legal matters (the "Engagement"). We believe the SAWS Board will find it helpful for us to set forth the role and responsibilities of both our law firm and the SAWS Board and that is the purpose of this letter.

1) SCOPE OF ENGAGEMENT

As Counsel for the SAWS Board, we will provide the legal services requested in connection with the Engagement and more specifically described in Exhibit "A" attached to and made a part of this letter. The "basic legal services" to be provided are outlined in Section I of Exhibit "A" while "additional legal services" that may be provided are outlined in Section II of Exhibit "A."

The scope of basic legal services outlined in Section I of Exhibit "A" will be provided based on billing the actual time spent at the hourly rates specified in Section I of Exhibit "A", up to the retainer cap amount specified in Section I of Exhibit "A."

The additional legal services outlined in Section II of Exhibit "A" will be provided based on billing the actual time spent at the hourly rates specified in Section II of Exhibit "A." Additional legal services must be pre-approved by the Chairman of the Board.

All Firm statements for legal services whether for basic or additional legal services provided shall be submitted to the Board for payment. Invoices shall be submitted by the 20th day of each month for the services provided in the preceding month.

This letter of engagement shall be effective for services provided and expenses incurred as of January 1, 2019.

2) WORK ASSIGNMENTS

I will be your primary contact for all aspects of the firm’s representation of the SAWS Board with respect to the Engagement. From time to time, parts of the SAWS Board’s work may be assigned to other lawyers or other personnel within the firm when deemed necessary, and other firm lawyers may be used where specialized help is needed and subject to the approval of the
Chairman of the Board. It is our practice to assign tasks among lawyers, legal assistants, law clerks, document clerks and other staff in such a way as to produce quality work at a reasonable expense to the SAWS Board. However, I will be responsible to the SAWS Board for the entire assignment.

3) FEES

Our fees are based on the time spent by the lawyers and legal assistants who work on the matter. We will charge (in accordance with the provisions of paragraph 1 of this letter) for the time spent in representing the SAWS Board's interests, including, by way of illustration, attendance at meetings, telephone and office conferences with SAWS Board members and other representatives, SAWS employees, consultants (if any), and opposing counsel; drafting letters, pleadings, agreements and other necessary documents; actual investigation or due diligence; legal research; and responding to the SAWS Board's requests for us to provide information to the SAWS Board's auditors in connection with reviews or audits of financial statements. Any meetings, telephone or office conferences related to work for additional services with SAWS staff other than the President/CEO or the Vice-President and General Counsel require the approval of the Chairman or SAWS President/CEO or SAWS Vice-President and General Counsel.

Billing rates for our attorneys vary according to the experience of the individuals. My current billing rate is $275.00 per hour. In an effort to reduce overall legal costs, we utilize legal assistants whenever appropriate. Time devoted by legal assistants to client matters is currently charged at billing rates generally ranging from $75.00 to $130.00 per hour. Any additional personnel assigned to SAWS Board matters must be pre-approved by the Chairman and the billing rates must be limited to the range reflected in this paragraph.

4) BILLING

We will submit statements to the SAWS Board on a monthly basis for our unpaid fees and expenses. The statements will have detailed itemization of tasks performed. Each task will be billed separately stating the subject matter and the time spent on each task and SAWS Board member or employee involved, if any. A series of tasks will not be grouped together and billed as one total. If determined to be necessary, prior to approval of the firm’s invoice, Board Counsel and the Vice President and General Counsel will meet and review the monthly invoice. The SAWS Board agrees to pay these statements within thirty days after receipt; however, if any statements, or parts thereof, are questioned or disputed by the SAWS Board, then a reasonable amount of time will be allowed to resolve that particular statement or itemization. The SAWS Board is encouraged to review our statements and discuss any questions with me it may have concerning the level of activities and the nature of services rendered. One of the reasons we submit statements to the SAWS Board on a monthly basis is so that the SAWS Board will have a ready means of monitoring and controlling the expenses it is incurring. If
the SAWS Board believes the expenses are mounting too rapidly, the SAWS Board should contact us immediately so that we can assist the SAWS Board in evaluating future alternatives.

SAWS shall not pay for the following:

1. Additional legal services that have not been authorized by the SAWS Chairman of the Board of Trustees.

2. Conferences involving attorneys, paralegals, and other personnel from the firm which involve routine administrative, coordinating and/or assignment-related matters.

3. Time spent communicating matters of a non-substantive nature, such as communicating or leaving messages or voicemail to “return call” or “ask someone to call me,” or accepting appointments or responding routine, non-legal correspondence.

4. Time spent, upon reassignment of a matter to another attorney, in familiarizing that attorney with the file, unless the SAWS Board Chairman has requested or approved the reassignment.

5. General overhead items, such as the fixed costs associated with computers, fax machines and other equipment, publications, continuing legal education, word processing charges, secretarial services, librarian services, printer tending, services by messengers employed by the firm, and faxes.

6. Charges for normal overhead and expenses, such as charges for incoming and outgoing faxes, computerized research, telephone calls, conference calls, photocopying expenses, and postage, except that the SAWS Board will pay for extraordinary costs in this regard at the discretion of the SAWS Board Chairman.


8. Time charges for preparation of bills.

9. Photocopying costs in excess of ten cents (10¢) per page.

10. Travel other than coach class.

5) **OUT-OF-TOWN TRAVEL**

Travel shall be on System business only when necessary and authorized by the Chairman. Travel time shall be billed at one-half (1/2) the hourly rate, except that time spent working on the System’s matters while traveling may be billed at the full hourly rate.
For travel expenses, the rate shall be the same as those set for State employees by the State Legislature in the General Appropriation Act.

Travel time to and from SAWS events, meetings, conferences, etc., that take place in Bexar County will not be charged, unless it is pre-approved by the Chairman. Time spent during any meals prior to, during or after an event, meeting or conference shall not be charged.

6) **COOPERATION**

In order to enable us to render effective legal services, the SAWS Board agrees to advise us of all facts and to keep us informed of all developments relating to any legal matter. We necessarily must rely on the accuracy and completeness of the facts and information the SAWS Board and its representatives, employees, and consultants, if any, provide to us. To the extent it is necessary for the SAWS Board members and representatives as well as SAWS employees, and consultants, if any, to attend meetings in connection with any legal matter, we will attempt to schedule them so that the convenience of the SAWS Board members and representatives, SAWS employees and consultants, if any, can be served.

7) **CONFLICTS OF INTEREST**

Conflict of interest is a concern for lawyers and their clients. Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, the SAWS Board and the Firm agree that Rule 1.05 (Confidentiality) and 1.06 (Conflicts of Interest) of the Texas Disciplinary Rules of Professional Conduct will be applicable to the representation and will be the basis by which conflicts of interest will be resolved.

8) **WITHDRAWAL OR TERMINATION**

Our relationship may be terminated by either of us at any time by written notice to the other party. The SAWS Board shall pay the Firm for those services rendered on or before the date of termination.

9) **CLIENT DOCUMENTS**

We will maintain any documents SAWS and the SAWS Board furnishes us in our client files for this matter. At the conclusion of the Engagement (or earlier, if appropriate), we will return any documents in our files that you request be returned to you. We will retain any remaining documents in our files for a limited period before ultimately destroying them in accordance with our record retention policy then in effect. The Firm will retain SAWS records in accordance with any retention laws or rules related to a municipally-owned water and sewer utility service provider.
10) **CLOSING**

If the foregoing correctly reflects the SAWS Board's understanding of the terms and conditions of our representation, please execute this engagement letter in the space provided below and return it to the undersigned.

Please contact me if the SAWS Board has any questions. We are pleased to have this opportunity to be of service and to work with the SAWS Board, and we look forward to a materially beneficial relationship in the future.

Very truly yours,

Langley & Banack, Inc.

Ruben R. Barrera

Berto Guerra, Jr., Chairman
Chairman, Board of Trustees
San Antonio Water System
LANGLEY & BANACK, INC.
(SCOPE OF SERVICES)

Scope of Services of Counsel to the San Antonio Water System Board of Trustees

1. Advise Board on legal matters relating to Board's oversight of the System;
2. Review, revise and comment on contracts and agreements between the Board/System and other parties prior to consideration by Board;
3. Perform research and draft memoranda and opinions on legal matters relating to Board's oversight of the System;
4. Attend regular and special Board and other meetings;
5. Advise Board Members regarding ethics and conflicts of interest issues;
6. Advise Board on parliamentary procedure, Open Meetings and Public Information Acts, Indenture Ordinance, City Charter, and other applicable local ordinances and federal/state statutes, codes and regulations; and
7. Advise Board Members on their status, rights, duties, obligations and limitations as public officers.

Section I - Retainer

The total 12-month budget for monthly retainer services is $23,100.00. The monthly retainer cap for (i) attendance at one regular Board meeting per month, and (ii) related Board meeting preparation, including review and/or proposed revision of agenda materials and related telephone conferences (collectively, “Meeting Preparation”), is $1,925.00; provided, however, that Meeting Preparation shall not exceed 2 hours of time ($550.00) per month unless pre-approved by the Chairman or General Counsel. Therefore, the Firm will not bill the SAWS Board more than $1,925.00 per month for services covered by the retainer.

Section II - Additional Services

The total 12-month budget for additional services is $50,000.00. Any services that may be required above this amount must be approved by the Board. Ruben Barrera (primary lawyer) will bill for additional services at $275.00 per hour. From time to time, parts of the SAWS Board's work may be assigned with the Chairman's approval to other lawyers or other personnel within the firm when deemed necessary, and other firm lawyers may be used where specialized help is needed. It is our practice to assign tasks among lawyers, legal assistants, law clerks, document clerks and other staff in such a way as to produce quality work at a reasonable expense to the SAWS Board. Hourly rates for such additional lawyers and personnel shall be approved in advance by the Vice-President and General Counsel.

The Firm will provide and bill for additional services outlined below as follows:
A. Telephone conferences with Trustees as pre-approved by the Chairman.

B. Prepare, review, revise and comment on certain contracts/agreements and related documents between the Board/System and other parties prior to consideration by Board as pre-approved by the Chairman.

C. Conduct legal research and render oral and written opinions on legal matters affecting the Board and the System as pre-approved by the Chairman.

D. Attendance at other meetings as pre-approved by the Chairman.
   1. Special/Emergency Meetings.
   2. Additional Workshop Meetings.
   3. Joint Meetings with other agencies.
   4. Committee Meetings.
   5. City Council Meetings.
   6. Individual Trustee/Staff Meetings.
   7. Additional monthly Board meetings.
   8. Attendance at regular Board and Policy and Planning Meetings that go beyond time allocated in retainer.

E. Preparation for other meetings as pre-approved by the Chairman.

F. Preparation of memorandums, resolutions and other documents necessary for other meetings as pre-approved by the Chairman.

G. Preparation of the annual audit letter for the Firm.

H. Any other legal work including, but not limited to, policy input and recommendations, drafting of policies and regulations, as well as labor and employment work requested by the Board and the System. In the event Counsel is requested to look into a matter being handled by outside counsel specifically hired for that purpose, Counsel will examine the work of outside counsel in so far as it relates to the Board and its individual members – (potential for conflict of interest, ultra vires act of the Board and or its members, etc.). All work must be pre-approved by the Chairman.

I. Legal Work related to and in support of the Vista Ridge Regional Water Supply Project, including preparation of legal opinions, memorandum of law and other transactional matters.
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: UTILITY SERVICE AGREEMENTS FOR WATER AND/OR WASTEWATER SERVICES TO TRACTS REQUIRING THE SAN ANTONIO WATER SYSTEM FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING AND/OR IMPACT FEE CREDITS AND/OR IS LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves Utility Service Agreements (USAs) to provide water and/or wastewater services to the specified tracts of land requiring the San Antonio Water System’s (the “System”) financial participation in the development of infrastructure through oversizing and/or impact fee credits, and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity (CCN).

- This board item consists of three tracts, which total 334.11 acres; 2,038 water Equivalent Dwelling Units (EDUs); and 2,006 wastewater EDUs.
- Board approval is required since the tracts require the System’s financial participation in the development of infrastructure through oversizing and/or impact fee credits and/or is located outside the System’s water and/or wastewater CCN.
- The QT #4014 Tract is located inside the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and outside the wastewater CCN. The USA provides 16 EDUs of water and 8 EDUs of wastewater services.
- The On The Move Tract is located inside the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and outside the wastewater CCN. The USA two EDUs of water and three EDUs of wastewater services.
- The Westlakes Vise SPH 1604 Tract is located inside the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and inside the wastewater CCN. The USA provides 2,020 EDUs of water and 1,995 EDUs of wastewater services and consists of oversized infrastructure and impact fee credits.
The Developer is required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.

The Developer is responsible for the construction and engineering costs associated with all required water and/or wastewater mains to serve the tracts (on-site and off-site).

Staff recommends that the Board approve this resolution.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>QT #4014 Tract</td>
<td>QuikTrip Corporation</td>
<td>1.862</td>
<td>16</td>
<td>8</td>
<td>COSA ETJ</td>
<td>INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE</td>
<td>OUTSIDE</td>
</tr>
<tr>
<td>2</td>
<td>On The Move Tract</td>
<td>On The Move, Inc.</td>
<td>2.24</td>
<td>2</td>
<td>3</td>
<td>COSA ETJ</td>
<td>INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE</td>
<td>OUTSIDE</td>
</tr>
<tr>
<td>3</td>
<td>Westlakes Vise SPH</td>
<td>Peoples Verdes Ranch</td>
<td>330</td>
<td>2,020</td>
<td>1,995</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>OVR/IFC</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
</tbody>
</table>

Total 334.11 2,038 2,006

Acronyms:

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

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

FINANCIAL IMPACT:

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Water Impact Fees</th>
<th>Wastewater Impact Fees</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>QT #4014 Tract</td>
<td>$77,776.00</td>
<td>$26,448.00</td>
<td>$104,224.00</td>
</tr>
<tr>
<td>2</td>
<td>On The Move Tract</td>
<td>$9,722.00</td>
<td>$9,918.00</td>
<td>$19,640.00</td>
</tr>
<tr>
<td>3</td>
<td>Westlakes Vise SPH 1604 Tract</td>
<td>$9,285,940.00</td>
<td>$4,690,245.00</td>
<td>$13,976,185.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$9,373,438.00</strong></td>
<td><strong>$4,726,611.00</strong></td>
<td><strong>$14,100,049.00</strong></td>
</tr>
</tbody>
</table>

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

OVERSIZING AND/OR IMPACT FEE CREDITS:

The following USAs have recommendations for the System’s financial participation in the development of infrastructure through oversizing and/or impact fee credits and/or facilities based on the System’s Master Plan.
Utility Service Agreements to the Specified Tracts Requiring Oversizing And/or Outside the System’s Water and/or Wastewater CCN

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Oversize SAWS</th>
<th>Oversize Developer</th>
<th>Oversize Total</th>
<th>Oversize Developer (%)</th>
<th>Oversize System (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Westlakes Vise SPH 1604 Tract</td>
<td>$2,773,334</td>
<td>$2,218,666</td>
<td>$4,992,000*</td>
<td>44.44%</td>
<td>55.56%</td>
</tr>
<tr>
<td></td>
<td>24 INCH WATER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Westlakes Vise SPH 1604 Tract</td>
<td>$312,000</td>
<td>$0</td>
<td>$312,000</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>24 INCH WATER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$3,085,334</strong></td>
<td><strong>$2,218,666</strong></td>
<td><strong>$5,304,000</strong></td>
<td><strong>44.44%</strong></td>
<td><strong>55.56%</strong></td>
</tr>
</tbody>
</table>

*Note: The Developer is eligible for impact fee credits for their share of the cost for the water infrastructure for the Westlakes Vise SPH 1604 Tract.

The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations at the Developer’s total cost.

Tracey B. Lehmann, P.E.
Director
Development

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments: Table 1, Tract Information
# Table 1
## Tract Information

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>JBSA</th>
<th>PZ</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Board Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>QT #4014 Tract</td>
<td>QuikTrip Corporation</td>
<td>Matt Miller</td>
<td>COSA ETJ</td>
<td>INSIDE</td>
<td>Y</td>
<td>12</td>
<td>1.862</td>
<td>16</td>
<td>8</td>
<td>Headwaters Leon Creek</td>
<td>CCN</td>
</tr>
<tr>
<td>2</td>
<td>On The Move Tract</td>
<td>On The Move, Inc.</td>
<td>Will Winslett</td>
<td>COSA ETJ</td>
<td>INSIDE</td>
<td>Y</td>
<td>12</td>
<td>2.24</td>
<td>2</td>
<td>3</td>
<td>Balcones Creek – Cibolo Creek</td>
<td>CCN</td>
</tr>
<tr>
<td>3</td>
<td>Westlakes Vise SPH 1604 Tract</td>
<td>Peoples Verdes Ranch Holdings Co., Ltd</td>
<td>Hugo Gutierrez</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>4</td>
<td>330</td>
<td>2,020</td>
<td>1,995</td>
<td>Live Oak Slough – Medina River</td>
<td>OVR/IFC</td>
</tr>
</tbody>
</table>

**Total**: 334.11 Acr, 2,038 Water EDU, 2,006 WW EDU

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- IFC = Impact Fee Credits
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- PZ = Pressure Zone
- CoSA = City of San Antonio limits
- ETJ = Extraterritorial Jurisdiction
- JBSA = Joint Base San Antonio Buffer Zone
RESOLUTION NO.

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

WHEREAS, the Developer Customer, specified in the table below, has requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>PCUs</th>
<th>WEDUs</th>
<th>WWEDUs</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>
<th>WCCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>QT #4014 Tract</td>
<td>QuikTrip Corporation</td>
<td>1.862</td>
<td>16</td>
<td>8</td>
<td>COSA ETJ INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE OUTSIDE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>On The Move Tract</td>
<td>On The Move, Inc.</td>
<td>2.24</td>
<td>2</td>
<td>3</td>
<td>COSA ETJ INSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>INSIDE OUTSIDE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Westlakes Vise SPH 1604</td>
<td>Peoples Verdes Ranch Holdings Co., Ltd</td>
<td>3.36</td>
<td>20</td>
<td>1,995</td>
<td>COSA ETJ OUTSIDE</td>
<td>Y</td>
<td>OVR/IFC</td>
<td>INSIDE INSIDE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>3.44</td>
<td>38</td>
<td>3,006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

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

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

2. That the Utility Service Agreement shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service Agreement will expire.

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

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

5. This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this 4th day of December, 2018.

_______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Amy Hardberger, Secretary

Attachments: Project Site Maps
Tract is located:
- Over the Edwards Aquifer Contributing Zone
- Within the 5-mile JBSA Buffer Zone
- Within the 5-mile Camp Bullis Awareness Zone

Legends:
- USA Tract
- Parcels Update
- Existing Sewer Main
- Proposed Sewer Main

Sewer CCN Boundary:
- FAIR OAKS RANCH CCN
- SAWS CCN

Project Location:
- Job No. 07-1535
Tract is located within:
- 5-Mile JBSA Buffer Zone
- Over Edwards Aquifer Contributing Zone
- 5-Mile Camp Bullis Awareness Zone

Proposed looped 8-inch water main

On The Move
2 Water EDUs
3 Sewer EDUs
2,243 Acres
USA-19733

Legend
- Existing Water Main
- USA Tract
- Parcel Update
- Proposed Water Mains

Project Location
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 WESTLAKES OFF-SITE WATER MAIN EXTENSION – SEGMENT B PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $5,533,517.84 to D Guerra Construction, LLC, a local, MBE-Hispanic contractor, on a Developer Customer construction contract, and authorizes the expenditure of funds in the amount of $4,048,246.53 for associated construction fees to D Guerra Construction, LLC, and reimbursements of $404,824.65 for associated design fees to Pulte Homes of Texas, LP, in connection with the Westlakes Off-Site Water Main Extension – Segment B Project.

- On November 7, 2017, by Resolution No. 17-246, 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 Westlakes 1604 Tract, a 493.71-acre tract, being developed by Pulte Homes of Texas, L.P., (“Developer”), and the oversizing of approximately 15,935 feet of 12-inch water main to 24-inch water main from the existing 24-inch water main that is near the intersection of FM 143 and W Loop 1604 S, in order to conform with the Water Infrastructure Master Plan. The Developer will also be constructing approximately 345 feet of 12-inch water main (oversized to a 16-inch water main), and approximately 105 feet of 12-inch water main.

- The Developer is required to construct a 12-inch water main. System staff recommends oversizing approximately 15,935 feet of 12-inch water main to a 24-inch water main. The Developer is responsible for 25 percent of the oversizing of the 12-inch water main to a 24-inch water main for an estimated $1,116,626.41 of the project costs. The System is responsible for 75 percent of the oversizing of the 12-inch water main to a 24-inch water main for an estimated amount of $3,349,879.21.

- The Developer is required to construct a 12-inch water main. System staff recommends oversizing approximately 345 feet of 12-inch water main to a 16-inch water main. The Developer is responsible for 56.25 percent of the construction of the 12-inch water main to a 16-inch water main for an estimated $107,787.50 of the project costs. The System is
The Developer will construct approximately 105 feet of 12-inch water main. The Developer is responsible for 100 percent of the construction of the 12-inch water main for an estimated $35,390.00 of the project costs. The System is responsible for 0 percent of the construction of the 12-inch water main for an estimated amount of $0.

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 15,935 feet of 24-inch water main, the oversize construction of approximately 345 feet of 16-inch water main, and the construction of approximately 105 feet of 12-inch water main. The Westlakes Off-Site Water Main Extension – Segment B Project is inside the City of San Antonio limits and is located within the System’s water and wastewater CCN.

D Guerra Construction, LLC, a local, MBE-Hispanic contractor, has submitted the lowest responsible bid of $5,533,517.84 for the construction of the project.

The System will pay Pulte Homes of Texas, LP 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 Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Mains New Category, and Water Main Oversizing budget line item under job number 18-1142. The applicable water main oversize payment will be made monthly to D Guerra Construction, LLC, in accordance with the Utility Service Regulations. The applicable design fees payment will be made to the Developer. The System will pay $4,048,246.53 for construction costs and $404,824.65 for associated design fees for a total cost of $4,453,071.18. The Developer will pay $1,485,271.31 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 November 13, 2018 at 11 A.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>D Guerra Construction, LLC</td>
<td>$5,533,517.84</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$5,651,025.33</td>
<td></td>
</tr>
<tr>
<td>Thyssen-Laughlin, Inc.</td>
<td>$6,230,066.44</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Wauters Engineering, LLC</td>
<td>$6,299,965.75</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 2.08 percent decrease from the Engineer’s estimated construction cost. The contract provides for the completion of this project within 180 calendar days.

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

<table>
<thead>
<tr>
<th>Westlakes Off-Site Water Main Extension – Segment B Project</th>
<th>D Guerra Construction, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
<td></td>
</tr>
<tr>
<td>SBE</td>
<td>0.49%</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>83.40%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
<td><strong>83.89%</strong></td>
</tr>
</tbody>
</table>
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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO D GUERRA CONSTRUCTION, LLC IN AN AMOUNT NOT TO EXCEED $5,533,517.84 IN CONNECTION WITH THE WESTLAKES OFF-SITE WATER MAIN EXTENSION – SEGMENT B PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $4,048,246.53 FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $404,824.65 FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE ENGINEERING DESIGN FEES; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $4,453,071.18 FROM SYSTEM'S WATER DELIVERY CORE BUSINESS, MAINS NEW CATEGORY, AND WATER MAIN OVERSIZING FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE PROJECT WORK AND ENGINEERING FEES RELATED TO THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH PULTE HOMES OF TEXAS, LP AND D GUERRA CONSTRUCTION, LLC, AND PROVIDE PAYMENT IN AN AMOUNT NOT TO EXCEED $4,048,246.53 TO D GUERRA CONSTRUCTION, LLC AND REIMBURSEMENTS OF $404,824.65 TO PULTE HOMES OF TEXAS, LP 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. 17-246, approved on November 7, 2017, the San Antonio Water System (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as Westlakes 1604 Tract, a 493.71-acre tract, being developed by Pulte Homes of Texas, LP and the oversize of approximately 15,935 feet of 24-inch water main, the oversize of approximately 345 feet of 16-inch water main, and the construction of approximately 105 feet of 12-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 approximately 15,935 feet of the 12-inch water main to a 24-inch water main; and

WHEREAS, the System has elected to oversize approximately 345 feet of the 12-inch water main to a 16-inch water main; and

WHEREAS, the System has elected to construct approximately 105 feet of 12-inch water main; and

WHEREAS, the System has solicited bids for the Westlakes Off-Site Water Main Extension – Segment B Project (the “project work”); and

WHEREAS, the project work includes the oversize construction of approximately 15,935 feet of 12-inch water main to 24-inch water main; and

WHEREAS, the project work includes the oversize construction of approximately 345 feet of 12-inch water main to 16-inch water main; and

WHEREAS, the project work includes the construction of approximately 105 feet of 12-inch water main; and

WHEREAS, D Guerra Construction, LLC, a local, MBE-Hispanic contractor, submitted the bid of $5,533,517.84 for construction of the project and this bid is determined to be the lowest responsible bid; and

WHEREAS, Pulte Homes of Texas, LP is responsible for funding their proportionate share of the construction of the project; and

WHEREAS, Pulte Homes of Texas, LP is responsible for 25 percent of the project costs for approximately 15,935 feet of 12-inch water main oversize to a 24-inch water main; the System is responsible for 75 percent of the project costs for approximately 15,935 feet of 12-inch water main oversize to a 24-inch water main; and

WHEREAS, Pulte Homes of Texas, LP is responsible for 56.25 percent of the project costs for approximately 345 feet of 12-inch water main oversize to a 16-inch water main; the System is responsible for 43.75 percent of the project costs for approximately 345 feet of 12-inch water main oversize to a 16-inch water main; and

WHEREAS, Pulte Homes of Texas, LP is responsible for 100 percent of the project costs for approximately 105 feet of 12-inch water main; the System is responsible for 0 percent of the project costs for approximately 105 feet of 12-inch water main; and
WHEREAS, the System will pay to D Guerra Construction, LLC, 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 $4,453,071.18 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 D Guerra Construction, LLC in the amount of $5,533,517.84 in connection with the Westlakes Off-Site Water Main Extension – Segment B Project, (ii) to authorize System funds in the amount of $4,048,246.53 for the project work, (iii) to authorize System funds in the amount of $404,824.65 for design fees, (iv) to make available a total amount not to exceed $4,453,071.18 from the System’s Water Main Oversizing, Mains New Category, Water Delivery Core Business 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 Pulte Homes of Texas, LP and D Guerra Construction, LLC for the project work, and to provide payment in an amount not to exceed $4,048,246.53 to D Guerra Construction, LLC and reimbursements in an amount not to exceed $404,824.65 to Pulte Homes of Texas, LP 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 $5,533,517.84 is hereby awarded to D Guerra Construction, LLC, who is determined to be the lowest responsible bidder, in connection with the Westlakes Off-Site Water Main Extension – Segment B Project.

2. That the expenditure of System funds in the amount of $4,048,246.53 for the System’s proportionate share of the project work is hereby approved.

3. That the expenditure of System funds in the amount of $404,824.65 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 $4,453,071.18 consisting of the System’s proportionate share of the project work costs and engineering fees related to the 12-inch oversized (24-inch required) water main, the construction of the 12-inch oversized (16-inch required) water main, and the construction of the 12-inch 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 to Pulte Homes of Texas, LP and D Guerra Construction,
LLC, and to provide payment in an amount not to exceed $4,048,246.53 for the cost to oversize and construct the water main to D Guerra Construction, LLC and reimbursements in an amount not to exceed $404,824.65 to Pulte Homes of Texas, LP in accordance with the Utility Service Regulations in connection with the Westlakes Off-Site Water Main Extension – Segment B 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 4th day of December 2018.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MULTIPLE SEWERSHED PACKAGE 5 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to SAK Construction, LLC, a local, non-SMWVB firm, in the amount of $5,730,181.00 in connection with the Multiple Sewershed Package 5 Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree for the Multiple Sewershed Package 5 Project between the San Antonio Water System, the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This contract will be used to rehabilitate sewer mains in need of repair based on condition assessment.

- This contract will be for the rehabilitation of approximately 7,136 feet of 24-inch through 72-inch sanitary sewer mains by cured-in-place pipe and slip-lining methods. Additionally, the manholes will be rehabilitated.

- SAK Construction, LLC has submitted the lowest responsible bid of $5,730,181.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $5,730,181.00 for wastewater related construction work under job number 17-4551.
SUPPLEMENTARY COMMENTS:

Unintech Consulting Engineers, Inc. prepared the plans and specifications for this project. The engineer’s estimated construction cost is $6,221,615.89.

A bid opening was held on November 9, 2018, at 1:00 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>SAK Construction, LLC*</td>
<td>$5,730,181.00</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$6,221,615.89</td>
<td></td>
</tr>
<tr>
<td>Insituform Technologies, LLC</td>
<td>$6,729,948.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Granite Inliner, LLC</td>
<td>$7,151,632.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>PM Construction &amp; Rehab, LLC dba IPR South Central</td>
<td>$7,217,129.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 7.90 percent decrease from the Engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>SAK Construction, LLC</th>
<th>SMWVB Analysis – Board Award</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SBE</td>
</tr>
<tr>
<td></td>
<td>MBE – African American</td>
</tr>
<tr>
<td></td>
<td>MBE – Asian</td>
</tr>
<tr>
<td></td>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td></td>
<td>MBE – Other</td>
</tr>
<tr>
<td></td>
<td>WBE – Minority</td>
</tr>
<tr>
<td></td>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td></td>
<td>SMWVB Total</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Multiple Sewershed Package 5 Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

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

Robert R. Puente
President/Chief Executive Officer

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

MULTIPLE SEWERSHED
PACKAGE 5
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO SAK CONSTRUCTION, LLC IN AN AMOUNT NOT TO EXCEED $5,730,181.00 IN CONNECTION WITH THE MULTIPLE SEwershed PACKAGE 5 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $5,730,181.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH SAK CONSTRUCTION, LLC, AND TO PAY SAK CONSTRUCTION, LLC AN AMOUNT NOT TO EXCEED $5,730,181.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, this contract will be used to rehabilitate sewer mains in need of repair based on condition assessment; and

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

WHEREAS, SAK Construction, LLC, a local, non-SMWVB firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $5,730,181.00 for the project work; and

WHEREAS, System funds in the amount of $5,730,181.00 are required for the project work; and

WHEREAS, the total amount of $5,730,181.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to SAK Construction, LLC in an amount not to exceed $5,730,181.00 in connection with the Multiple Sewershed Package 5 Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $5,730,181.00 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with SAK Construction, LLC, and to pay SAK Construction, LLC an amount not to exceed $5,730,181.00 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a construction contract in an amount not to exceed $5,730,181.00 is hereby awarded to SAK Construction, LLC who is determined to be the lowest responsible bidder in connection with the Multiple Sewershed Package 5 Project.

2. That the expenditure of funds in an amount not to exceed $5,730,181.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with SAK Construction, LLC, and to pay SAK Construction, LLC an amount not to exceed $5,730,181.00 in connection with the Multiple Sewershed Package 5 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 the 4th day of December, 2018.

Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MARTINEZ CREEK: PEREZ ST TO W. HUISACHE AVE PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to S.J. Louis Construction of Texas, Ltd., a local, non-SMWVB contractor, in the amount of $21,023,894.01 in connection with the Martinez Creek: Perez St to W. Huisache Ave Project (the “Project”).

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

- The Project will replace and upsize approximately two miles of existing 33-inch and 36-inch sanitary sewer mains with 48-inch and 54-inch sanitary sewer main. Additionally, approximately 0.7 miles of existing sanitary sewer mains ranging in size from 8-inch to 24-inch will be replaced. The Project will extend from Perez Street to W. Huisache Avenue along Martinez Creek.

- Competitive Sealed Proposal (CSP) procurement method was used to select the construction contractor. This method allows selection of a contractor based on proposals that offer the “best value” to the System. Best value is determined by score and ranked by weighted criteria published in the solicitation. S.J. Louis Construction of Texas, Ltd. submitted the best value proposal for $21,023,894.01.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This work is included in the Wastewater Core Business, Main Replacement – Sewer budget line item. The amount is $21,023,894.01 for wastewater related construction work. The job number is 15-4802 for construction.
SUPPLEMENTARY COMMENTS:

CDS Muery prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $28,934,892.00.

Competitive sealed proposals were received on October 19, 2018 at 10:00 AM. S.J. Louis Construction of Texas, Ltd. provided the best value to the System based on the following criteria and weighting:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Qualifications and Experience</td>
<td>20%</td>
</tr>
<tr>
<td>Quality, Reputation, and Ability to Deliver Projects on Schedule and within Budget</td>
<td>25%</td>
</tr>
<tr>
<td>Project Approach (including Delivery Schedule)</td>
<td>15%</td>
</tr>
<tr>
<td>Price</td>
<td>30%</td>
</tr>
<tr>
<td>SMWVB</td>
<td>10%</td>
</tr>
</tbody>
</table>

| Total | 100% |

The following proposals were submitted:

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.J. Louis Construction of Texas, Ltd.*</td>
<td>$21,023,894.01</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Southland/Renda Joint Venture</td>
<td>$27,152,279.69</td>
<td>Non-Local/Non–SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$28,934,892.00</td>
<td></td>
</tr>
</tbody>
</table>

*Best value proposal

The price proposal represents a 27.34 percent decrease from the estimated construction cost. This contract has 900 days for construction completion. The System’s engineering staff will inspect the work.

Additionally, the overall SMWVB analysis is shown in the following table:
### SMWVB Analysis - Board Award

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</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>5.23%</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>14.79%</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
<td><strong>20.04%</strong></td>
</tr>
</tbody>
</table>

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

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

**APPROVED:**

---

**Robert R. Puente**  
President/Chief Executive Officer

**Attachments:**

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO S.J. LOUIS CONSTRUCTION OF TEXAS, LTD. IN THE AMOUNT OF $21,023,894.01 IN CONNECTION WITH THE MARTINEZ CREEK: PEREZ ST TO W. HUISACHE AVE PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $21,023,894.01 FROM THE 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 $21,023,894.01 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 and upsize sewer mains in need of replacement based on capacity; and

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

WHEREAS, S.J. Louis Construction of Texas, Ltd., a local, non-SMWVB contractor, has submitted a price proposal in the amount of $21,023,894.01 for the project work and this proponent has been determined to be the most qualified; and

WHEREAS, System funds in the amount of $21,023,894.01 are required for the project work; and

WHEREAS, the total amount of $21,023,894.01 is available from the 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 an amount not to exceed $21,023,894.01 in connection with the Martinez Creek: Perez St to W. Huisache Ave Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $21,023,894.01 from the 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 $21,023,894.01 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $21,023,894.01 is hereby awarded to S.J. Louis Construction of Texas, Ltd., who is determined to be the most qualified, in connection with the Martinez Creek: Perez St to W. Huisache Ave Project.

2. That the total expenditure of funds in an amount not to exceed $21,023,894.01 for the project work is hereby approved and made available from the 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 $21,023,894.01 in connection with the Martinez Creek: Perez St to W. Huisache Ave 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, retrospective 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 4th day of December, 2018.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MEDIO CREEK WRC FILTER AND UV SYSTEM IMPROVEMENTS PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Associated Construction Partners, Ltd., a local WBE-Caucasian firm, in the amount of $4,922,893.00 in connection with the Medio Creek WRC Filter and UV System Improvements Project (the “Project”).

- The Medio Creek Water Recycling Center (WRC) has total permitted capacity to treat 16.0 million gallons per day (MGD) of wastewater. The facility consists of an old plant rated at 8.5 MGD and constructed in the early 1970’s, and the New Plant rated at 7.5 MGD and constructed in 2009.

- Following the completion of the new plant, the old plant was taken offline for maintenance, and the plant flow was diverted to the new plant. However, due to the rapid growth in development in the Medio Creek sewershed, the flows have been increasing, and it is necessary to place the old plant back in service and operate in parallel with the new plant to handle the increased flows.

- The existing traveling bridge sand filters and ultraviolet (UV) disinfection system are over 20 years old and at the end of its useful life. The underdrain system of the filters is severely deteriorated beyond the point of repair. These treatment units are in need of replacement and upgrading with new technology.

- The project includes:
  - Replacement of the traveling bridge sand filters with the cloth media disk filters and associated backwash pump systems,
  - Replacement of the UV system with the most current technology,
  - Installation of a canopy over the new filters, and
  - Associated civil, structural, mechanical, electrical, instrumentation and controls
The improvements will ensure that the old plant is placed in full service to allow for the facility to treat all flows and comply with permit effluent limits.

- Associated Construction Partners, Ltd. has submitted the lowest responsible bid of $4,922,893.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2018 Capital Improvement Program. This project is included in the Wastewater Core Business, Treatment, Medio Creek WRC Filter and UV System Improvements Project budget line item. The amount is $4,922,893.00 for wastewater related work under job number 18-6505.

SUPPLEMENTARY COMMENTS:

Arcadis U.S., Inc. prepared the plans and specifications for this project. The engineer’s estimated construction cost is $5,123,000.00.

A bid opening was held on November 14, 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>Associated Construction Partners, Ltd.*</td>
<td>$4,922,893.00</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Shannon-Monk, Inc.</td>
<td>$5,012,173.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Archer Western Construction, LLC</td>
<td>$5,044,173.00</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$5,123,000.00</td>
<td></td>
</tr>
<tr>
<td>Black Castle General Contractor</td>
<td>$5,999,773.00</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 3.91 percent decrease from the Engineer’s estimated construction cost.

Additionally, the overall SMWVB analysis is shown in the following table:
### Medio Creek WRC Filter and UV System Improvements Project

**Associated Construction Partners, Ltd.**

<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>0.00%</td>
</tr>
<tr>
<td>MBE–Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE–Non–Minority</td>
<td>43.31%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>43.31%</td>
</tr>
</tbody>
</table>

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

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

**APPROVED:**

Robert R. Puente  
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO ASSOCIATED CONSTRUCTION PARTNERS, LTD. IN AN AMOUNT NOT TO EXCEED $4,922,893.00 IN CONNECTION WITH THE MEDIO CREEK WRC FILTER AND UV SYSTEM IMPROVEMENTS PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $4,922,893.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH ASSOCIATED CONSTRUCTION PARTNERS, LTD., AND TO PAY ASSOCIATED CONSTRUCTION PARTNERS, LTD. AN AMOUNT NOT TO EXCEED $4,922,893.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

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

WHEREAS, Associated Construction Partners, Ltd., a local WBE-Caucasian contractor, is declared the lowest responsible bidder, and has submitted the low responsible bid of $4,922,893.00 for the project work; and

WHEREAS, System funds in the amount of $4,922,893.00 are required for the project work; and

WHEREAS, the total amount of $4,922,893.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Associated Construction Partners, Ltd. in an amount not to exceed $4,922,893.00 in connection with the Medio Creek WRC Filter and UV System Improvements Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $4,922,893.00 from the 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
Associated Construction Partners, Ltd., and to pay Associated Construction Partners, Ltd. an amount not to exceed $4,922,893.00 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $4,922,893.00 is hereby awarded to Associated Construction Partners, Ltd., who is determined to be the lowest responsible bidder, in connection with the Medio Creek WRC Filter and UV System Improvements Project.

2. That the expenditure of funds in an amount not to exceed $4,922,893.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Associated Construction Partners, Ltd., and to pay Associated Construction Partners, Ltd. an amount not to exceed $4,922,893.00 in connection with the Medio Creek WRC Filter and UV System Improvements 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 4th day of December, 2018.

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Amy Hardberger, 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 SOUTHWEST LOOP 410 ELEVATED STORAGE TANK PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Landmark Structures I, L.P., a non-local, non-SMWVB firm, in the amount of $5,625,000.00 in connection with the Southwest Loop 410 Elevated Storage Tank Project (the “Project”).

- The 2018 Capital Improvement Program includes the construction of the Southwest Loop 410 Elevated Storage Tank Project. The tank will be located on a three acre site on Loop 410 frontage road near U.S. Highway 90 West in the southwest part of San Antonio.

- The Project is included in the Master Plan to provide elevated storage capacity for Pressure Zone 4 to comply with the Texas Commission on Environmental Quality (TCEQ) requirements. The requirements specify 100 gallons of elevated storage per connection. The elevated tank will provide emergency storage during power or pump failure; and provide fire protection and improve overall efficiency of the system.

- The Project will replace the Loma Linda Elevated Storage Tank located off of Fredericksburg Road near Balcones Heights that has a smaller capacity and has completed its useful life. It will be demolished as part of the project.

- The contract will provide for the installation of a new 1.5 million-gallon composite water elevated storage tank, approximately 165 feet of 24-inch pipe, site valves and piping, electrical system, SCADA controls, site grading and drainage, fencing, landscaping, lighting, and driveway.

- Landmark Structures I, L.P. has submitted the lowest responsible bid of $5,625,000.00.

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

The Project Fund will finance this expenditure included in CY 2018 Capital Improvement Budget. The work is included in the Water Delivery Core Business, Production - Category, Southwest Loop 410 Elevated Storage Tank budget line item. The amount is $5,625,000.00 for construction. The job number is 17-6001.

SUPPLEMENTARY COMMENTS:

Brown & Gay Engineers, Inc. prepared the plans and specifications for this project. The engineer’s estimated construction cost is $4,211,000.00.

A bid opening was held on November 1, 2018 at 9:00 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><em>Landmark Structures I, L.P.</em></td>
<td>$5,625,000.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Caldwell Tanks, Inc.</td>
<td>$6,971,000.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 33.58 percent increase from the estimated construction cost.

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

<table>
<thead>
<tr>
<th>Southwest Loop 410 Elevated Storage Tank Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landmark Structures I, L.P.</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 L. Myers, P.E.
Director
Plants and Major Projects

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

SOUTHWEST LOOP 410 ELEVATED STORAGE TANK

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

SOUTHWEST LOOP 410 ELEVATED STORAGE TANK

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO LANDMARK STRUCTURES I, L.P. IN AN AMOUNT NOT TO EXCEED $5,625,000.00 IN CONNECTION WITH THE SOUTHWEST LOOP 410 ELEVATED STORAGE TANK PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $5,625,000.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH LANDMARK STRUCTURES I, L.P., AND TO PAY LANDMARK STRUCTURES I, L.P. AN AMOUNT NOT TO EXCEED $5,625,000.00 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, this contract will be used to construct a new elevated storage tank and demolish an existing elevated storage tank in need of replacement based on capacity and condition; and

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

WHEREAS, Landmark Structures I, L.P., a non-local, non-SMWVB contractor, has submitted a bid of $5,625,000.00 for the project work and this bid is determined to be the lowest responsible bid; and

WHEREAS, System funds in the amount of $5,625,000.00 are required for the project work; and

WHEREAS, the amount of $5,625,000.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Landmark Structures I, L.P. in an amount not to exceed $5,625,000.00 in connection with the Southwest Loop 410 Elevated Storage Tank Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $5,625,000.00 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee
to execute a construction contract with Landmark Structures I, L.P., and to pay Landmark Structures I, L.P. an amount not to exceed $5,625,000.00 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $5,625,000.00 is hereby awarded to Landmark Structures I, L.P., who is determined to be the lowest responsible bidder, in connection with the Southwest Loop 410 Elevated Storage Tank Project.

2. That the expenditure of funds in an amount not to exceed $5,625,000.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Landmark Structures I, L.P., and to pay Landmark Structures I, L.P. an amount not to exceed $5,625,000.00 in connection with the Southwest Loop 410 Elevated Storage Tank 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 4th day of December, 2018.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE WURZBACH PUMP STATION IMPROVEMENTS PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Archer Western Construction, LLC, a local, non-SMWVB company, in the amount of $16,047,000.00 in connection with the Wurzbach Pump Station Improvements Project (the “Project”).

- The 2018 Capital Improvement Program includes the construction of the Wurzbach Pump Station Improvements Project. The pump station is located in northwest San Antonio between Bandera Road and Evers Road.

- The Project will include replacement of all electrical equipment including all wiring, switchgear, transformers in a new electrical building complete with power distribution, SCADA, and security equipment; construction of new electrical duct banks to serve pumps, wells, lighting, security equipment, etc., and construction of a new fluoride system facility, high service pump station facility, access roadways, and civil site improvements.

- Archer Western Construction, LLC has submitted the lowest responsible bid of $16,047,000.00 for construction of this 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 Budget. This work is included in the Water Delivery Core Business, Production Category, Wurzbach Pump Station Improvements budget line item. The amount is $16,047,000.00 for construction and the job number 15-6003.

SUPPLEMENTARY COMMENTS:

Grubb Engineering, Inc. prepared the plans and specifications for this project. The engineer’s estimated construction cost is $14,950,000.00.
A bid opening was held on November 13, 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><em>Engineer’s Estimate</em></td>
<td>$14,950,000.00</td>
<td></td>
</tr>
<tr>
<td>Archer Western Construction, LLC *</td>
<td>$16,047,000.00</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Associated Construction Partners, Ltd.</td>
<td>$17,625,000.00</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Dorazio Enterprises, Inc.</td>
<td>$20,949,838.00</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 7.36 percent increase from the Engineer’s estimated construction cost. This contract has 590 calendar days for construction completion.

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

<table>
<thead>
<tr>
<th>Wurzbach Pump Station Improvements Project</th>
<th>Archer Western Construction, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB Analysis – Board Award</td>
<td></td>
</tr>
<tr>
<td>SBE</td>
<td>0.08%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>0.07%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>13.19%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>13.34%</td>
</tr>
</tbody>
</table>

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

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction
Award of Construction Contract
Wurzbach Pump Station Improvements Project

APPROVED:

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

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO ARCHER WESTERN CONSTRUCTION, LLC IN AN AMOUNT NOT TO EXCEED $16,047,000.00 IN CONNECTION WITH THE WURZBACH PUMP STATION IMPROVEMENTS PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $16,047,000.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH ARCHER WESTERN CONSTRUCTION, LLC, AND TO PAY ARCHER WESTERN CONSTRUCTION, LLC AN AMOUNT NOT TO EXCEED $16,047,000.00 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,

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

WHEREAS, Archer Western Construction, LLC, a local non-SMWVB firm, has submitted a bid of $16,047,000.00 for the project work and this bid is determined to be the lowest responsible bid; and

WHEREAS, System funds in the amount of $16,047,000.00 are required for the project work; and

WHEREAS, the amount of $16,047,000.00 is available from Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Archer Western Construction, LLC, in an amount not to exceed $16,047,000.00 in connection with the Wurzbach Pump Station Improvements Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $16,047,000.00 from the 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 Archer Western Construction, LLC, and to pay Archer Western Construction, LLC an amount not to exceed $16,047,000.00 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That a construction contract in an amount not to exceed $16,047,000.00 is hereby awarded to Archer Western Construction, LLC, who is determined to be the lowest responsible bidder, in connection with the Wurzbach Pump Station Improvements Project.

2. That the expenditure of funds in an amount not to exceed $16,047,000.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Archer Western Construction, LLC, and to pay Archer Western Construction, LLC an amount not to exceed $16,047,000.00 in connection with the Wurzbach Pump Station Improvements Project.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED the 4th day of December, 2018.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Amy Hardberger, 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 SEGMENT 5-4 PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Pesado Construction Company, a local, SBE firm, in the amount of $5,367,434.74 in connection with the Central Water Integration Pipeline Segment 5-4 Project.

- 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 the water distribution system.

- The Project consists of approximately 15 miles of new and existing transmission main beginning at the Agua Vista Station, formerly known as the Terminus Site, in north Bexar County to the Basin Pump Station with intermediate integration points at Bitters and Maltsberger Pump Stations.

- This construction contract includes installation of approximately 5,500 feet of 24-inch and 30-inch water main from the Basin Pump Station to a point of connection with an existing 24-inch water main at Maplewood Drive and Jones Maltsberger; this contract also includes replacement of approximately 200 feet of 30-inch water main under the Halm Blvd drainage channel to repair a significant leak.

- Pesado Construction Company has submitted the lowest responsible bid of $5,367,434.74.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. This additional work is included in the Water Delivery Core Business, Central Water
Integration Pipeline project budget line. The amount is $5,367,434.74 for the Project work under job number 18-8614.

**SUPPLEMENTARY COMMENTS:**

Tetra Tech, Inc. prepared the plans and specifications for the project. The engineer’s estimated construction cost is $6,179,469.00.

A bid opening was held on November 13, 2018 at 2:00 PM. The following responsive bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pesado Construction Company*</td>
<td>$5,367,434.74</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>D. Guerra Construction, LLC</td>
<td>$5,974,858.61</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$6,179,469.00</td>
<td></td>
</tr>
<tr>
<td>BRH–Garver Construction, L.P.</td>
<td>$7,549,228.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 13.1 percent decrease from the estimated construction cost. This contract requires final completion of the project work by December 31, 2019. Black & Veatch, under the Program Management and Engineering Services contract for the Central Water Integration Pipeline Project, will inspect the work.

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

<table>
<thead>
<tr>
<th>Central Water Integration Pipeline Segment 5-4 Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pesado Construction Company</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>95.58%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>0.19%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>4.06%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
<td>99.83%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Central Water Integration Pipeline Segment 5-4 Project

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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO PESADO CONSTRUCTION COMPANY IN THE AMOUNT OF $5,367,434.74 IN CONNECTION WITH THE CENTRAL WATER INTEGRATION PIPELINE SEGMENT 5-4 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $5,367,434.74 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH PESADO CONSTRUCTION COMPANY, AND TO PAY PESADO CONSTRUCTION COMPANY AN AMOUNT NOT TO EXCEED $5,367,434.74 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 construct approximately 5,700 feet of 24-inch and 30-inch water main; and

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

WHEREAS, Pesado Construction Company, a local, SBE firm, has submitted a bid in the amount of $5,367,434.74 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 $5,367,434.74 are required for the project work; and

WHEREAS, the total amount of $5,367,434.74 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 Pesado Construction Company in the amount of $5,367,434.74 in connection with the Central Water Integration Pipeline Segment 5-4 Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $5,367,434.74 from the 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 Pesado Construction Company, and to
pay Pesado Construction Company an amount not to exceed $5,367,434.74 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 $5,367,434.74 is hereby awarded to Pesado Construction Company, who is determined to be the lowest responsible bidder, in connection with the Central Water Integration Pipeline Segment 5-4 Project.

2. That the expenditure of funds in an amount not to exceed $5,367,434.74 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Pesado Construction Company, and to pay Pesado Construction Company an amount not to exceed $5,367,434.74 in connection with the Central Water Integration Pipeline Segment 5-4 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 ineffectual, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffectual.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 4th day of December, 2018.

______________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: RATIFICATION OF AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE W-1 TEMPORARY DIVERSION TO MEDIO CREEK WRC – EMERGENCY BYPASS PROJECT

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Chief Operating Officer in approving the award of a construction contract to SAK Construction, LLC, a local, non-SMWVB contractor, in the amount of $2,639,330.00, in connection with the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project.

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

- On September 28, 2018, the System declared an emergency on Morey Road. Historic rain events during the month of September resulted in several pipe failures along the existing 54-inch sanitary sewer interceptor that runs through public property and JBSA Lackland. System crews were unable to make necessary repairs near Morey Road.

- On October 15, 2018, the System declared another emergency at Swiss Oaks Drive. During the historic September rain events ongoing sewer overflows were reported at Swiss Oaks Drive. System crews have been monitoring and cleaning the area in accordance with established protocols.

- The work proposed under this contract is in response to both emergencies. The proposed diversion point is located upstream of both Swiss Oaks Drive and Morey Road. Diversion of flows at Pinn Road will allow the System to perform maintenance and repairs needed along this sewer outfall.

- The project includes mobilization, removal of ten 30-inch isolation valves from the 30-inch reclaimed water line, establishment of an emergency bypass from the existing 42-inch gravity sanitary sewer line, just north of Highway 151 along Leon Creek, discharge into an existing 30-inch reclaimed water line, transfer of bypassed flows to the Medio Creek Water
Ratification of Award of Construction Contract

W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project

Reclamation Center for treatment.

- SAK Construction, LLC submitted the lowest responsible bid of $2,639,330.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The System Fund will finance this additional expenditure during FY 2018 and FY 2019 (Company: 1000, Accounting Unit: 5014900, Account Number: 511220). The amount is $2,639,330.00 for wastewater related expenses. The job number is 18-0127.

**SUPPLEMENTARY COMMENTS:**

Weston Solutions, Inc. prepared the plans and specifications for this project under their professional services contract. System staff prepared the engineer’s estimated construction cost of $1,320,000.00 for the project.

A bid opening was held on November 15, 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><em>Engineer’s Estimate</em></td>
<td>$1,320,000.00</td>
<td></td>
</tr>
<tr>
<td>SAK Construction, LLC*</td>
<td>$2,639,330.00</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>BRH-Garver Construction, LP</td>
<td>$3,621,170.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>QRO Mex Construction, Inc.</td>
<td>Did not submit bid</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>S.J. Louis Construction of Texas, Ltd.</td>
<td>Did not submit bid</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>SpawGlass Civil Construction</td>
<td>Did not submit bid</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Capital Excavation Co.</td>
<td>Did not submit bid</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

* Lowest Responsible Bidder

The bid amount represents a 99.95 percent increase from staff’s estimated construction cost.

This contract has 180 days for construction completion.

Additionally, the overall SMWVB analysis is shown in the following table:
Ratification of Award of Construction Contract
W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project

W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project

SAK Construction, LLC

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>48.05%</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>19.94%</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>67.99%</td>
</tr>
</tbody>
</table>

Gail Hamrick-Pigg, P.E.
Director
Pipelines

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE ACTIONS OF THE CHIEF OPERATING OFFICER IN APPROVING THE AWARD OF A CONSTRUCTION CONTRACT IN AN AMOUNT NOT TO EXCEED $2,639,330.00 IN CONNECTION WITH THE W-1 TEMPORARY DIVERSION TO MEDIO CREEK WRC – EMERGENCY BYPASS PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $2,639,330.00 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 SAK CONSTRUCTION, LLC, AND TO PAY SAK CONSTRUCTION, LLC AN AMOUNT NOT TO EXCEED $2,639,330.00 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, due to historic rain events during the month of September, several pipe failures occurred along the San Antonio Water System’s (the “System”) existing 54-inch sanitary sewer interceptor that runs through public property and JBSA Lackland, and ongoing sewer overflows have been reported at Swiss Oaks Drive; and

WHEREAS, these pipe failures and sewer overflows pose a safety risk to the public and require immediate repair in order to protect the public; and

WHEREAS, the System declared this an emergency in accordance with its procedures for emergency construction contracts and issued an emergency solicitation for bids on the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project on November 2, 2018; and

WHEREAS, SAK Construction, LLC, a local, non-SMWVB firm, has submitted a bid in the amount of $2,639,330.00 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $2,639,330.00 are required for the project work; and

WHEREAS, the amount of $2,639,330.00 is available from the System Fund for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to ratify the actions of the Chief Operating Officer in approving the award of a construction contract in an amount not to exceed $2,639,330.00 in connection with the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $2,639,330.00 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 SAK Construction, LLC, and to pay SAK Construction, LLC an amount not to exceed $2,639,330.00 for the project work; now, therefore:

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

1. That this procurement was necessary to protect public health and safety of the residents of the City of San Antonio.

2. That the actions of the Chief Operating Officer in approving the award of a construction contract in an amount not to exceed $2,639,330.00 with SAK Construction, LLC for the project work in connection with the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project are hereby ratified.

3. That the expenditure of funds in an amount not to exceed $2,639,330.00 for the project work is hereby approved and made available from the System Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with SAK Construction, LLC, and to pay SAK Construction, LLC an amount not to exceed $2,639,330.00 in connection with the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass 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 4th day of December, 2018.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Amy Hardberger, Secretary
AGENDA ITEM NO. ___42___

TO: San Antonio Water System Board of Trustees

FROM: Karen L. Guz, Director, Conservation, and Gavino R. Ramos, Vice President, Communications and External Relations

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

SUBJECT: APPROVING A COMMERCIAL CUSTOM REBATE AGREEMENT WITH BOTTLING GROUP, LLC FOR WATER EFFICIENCY IMPROVEMENTS WITHIN THE SAN ANTONIO PEPSI BEVERAGES PRODUCTION FACILITY

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Commercial Custom Rebate Agreement with Bottling Group, LLC, dba Pepsi Beverages for water efficiency improvements within the San Antonio Pepsi Beverages production facility in an amount not to exceed $155,415.00.

- Bottling Group, LLC dba Pepsi Beverages has been in business in San Antonio and a primary commercial customer of the San Antonio Water System (SAWS) for almost 50 years.

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

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

- Conservation staff was contacted by Bottling Group, LLC as part of an effort to reduce water consumption within their San Antonio based Pepsi bottling facility.

- The transition to water-conserving equipment will serve as an environmental model for other beverage production facilities in San Antonio and across the state of Texas.

- Bottling Group, LLC has implemented more water efficient practices for both bottle and can warming as well as improved the overall steam operations across the plant.

- Based on analysis of water use history and existing equipment compared to specifications of new equipment, the conservation upgrades will result in a savings of approximately 28.26 acre-feet or 9,207,641 gallons of potable water per year for a ten-year term.
Approving a Commercial Custom Rebate Agreement
Bottling Group, LLC

- A custom rebate was calculated based on 282.6 acre-feet of water savings at a rate of $550.00 per acre-foot for a total rebate amount of $155,415.00.

- There are different technology upgrade options to decrease water used within beverage bottling facilities. Bottling Group, LLC invested $588,300.00 in system improvements in 2018 that will result in 10 percent reduction in consumption per unit of product.

- Payment for the savings will be made upon submittal of all invoices, verification of installation, and confirmation of water savings from all equipment listed in Attachment “I” of the San Antonio Water System Commercial Custom Rebate Agreement. The payment for achieved savings will not be increased beyond a total payment not to exceed $155,415.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Conservation funds will be made available from the System Fund. The total amount is not to exceed $155,415.00. The item will be paid from System Funds budgeted in the 2018 budget (Company: 1000, Accounting Unit: 5012000, Account: 511219, Total 2018 Amount: $155,415.00).

Karen L. Guz,  
Director  
Conservation

Gavino R. Ramos,  
Vice President  
Communications and External Relations

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A COMMERCIAL CUSTOM REBATE AGREEMENT WITH BOTTLING GROUP, LLC DBA PEPSI BEVERAGES FOR WATER EFFICIENCY IMPROVEMENTS WITHIN THE SAN ANTONIO PEPSI BEVERAGES PRODUCTION FACILITY IN AN AMOUNT NOT TO EXCEED $155,415.00; AUTHORIZING THE EXPENDITURE OF AN AMOUNT NOT TO EXCEED $155,415.00 FROM THE SYSTEM FUND FOR SUCH COMMERCIAL CUSTOM REBATE; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A COMMERCIAL CUSTOM REBATE AGREEMENT AND TO PAY BOTTLING GROUP, LLC DBA PEPSI BEVERAGES AN AMOUNT NOT TO EXCEED $155,415.00 PURSUANT TO THE 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, conserving water in the San Antonio region has been identified by the San Antonio Water System (the “System”) as a cost-effective approach to managing water resources; and

WHEREAS, the System’s goal is to continue efforts that reduce the utility per capita consumption; and

WHEREAS, one of the successful strategies to reduce per capita water consumption is the use of incentives that accelerate the adoption of new technologies, water efficient materials and water efficient practices by all customers; and

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

WHEREAS, the Commercial Custom Rebate Agreement has been identified as a means of reducing water consumption among General Class customers; and

WHEREAS, it is beneficial for the System to promote sound water conservation practices well into the future; and
WHEREAS, the System’s Conservation staff has worked closely with Bottling Group, LLC for the purpose of identifying and bringing forth projects that will reduce annual water consumption within their facility; and

WHEREAS, Bottling Group, LLC has implemented more water efficient practices for both bottle and can warming as well as improved the overall steam operations across the plant; and

WHEREAS, these improvements will reduce the potable water usage by 28.26 acre-feet or 9,207,641 gallons saved per year for a ten-year term; and

WHEREAS, the expenditure of funds is required for a total rebate amount not to exceed $155,415.00 and will be made available from the System Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve a Commercial Custom Rebate Agreement with Bottling Group, LLC dba Pepsi Beverages for a rebate for water efficiency improvements within the San Antonio Pepsi Beverages production facility in an amount not to exceed $155,415.00, (ii) to authorize the expenditure of an amount not to exceed $155,415.00 from the System Fund pursuant to the Commercial Custom Rebate Agreement, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a Commercial Custom Rebate Agreement and to pay Bottling Group, LLC in an amount not to exceed $155,415.00 pursuant to the Agreement; now, therefore:

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

1. That a Commercial Custom Rebate Agreement (the “Agreement”) with Bottling Group, LLC for water efficiency improvements in substantially the form attached hereto as Attachment I is hereby approved.

2. That a total amount not to exceed $155,415.00 for such Commercial Custom Rebate is hereby made available and is to be expended from the System Fund.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Agreement in substantially the form attached hereto as Attachment I, and to pay an amount not to exceed $155,415.00 to Bottling Group, LLC pursuant to 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 4th day of December, 2018.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Amy Hardberger, Secretary

Attachment:
I. Commercial Custom Rebate Agreement
ATTACHMENT I

SAN ANTONIO WATER SYSTEM
COMMERCIAL CUSTOM REBATE AGREEMENT

THIS AGREEMENT is made and entered into effective as of the ___ day of _____, 2018 ("Effective Date") by and between the San Antonio Water System ("SAWS"), an agency of the City of San Antonio, and Bottling Group, LLC, DBA Pepsi Beverages ("Customer"), with an address of 6100 NE Loop 410, San Antonio, Texas.

WITNESSETH

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

WHEREAS, SAWS is constantly seeking ways to reduce water consumption by providing economic incentives in the form of rebates to those customers that choose to convert to watersaving equipment and practices; and

WHEREAS, SAWS Commercial Custom Rebate Program seeks to reduce water consumption by providing qualified customers with rebates based on water savings that offset some or all of the installed cost of new watersaving equipment; and

WHEREAS, Customer is a commercial user served by SAWS and seeks a rebate under the SAWS Commercial Custom Rebate Program for the installed cost of new watersaving equipment; and

WHEREAS, SAWS staff has reviewed Customer's Commercial Custom Rebate Application and determined that Customer meets the program eligibility requirements;

NOW THEREFORE, the Parties hereto agree as follows:

1.0 The Retrofit Project.

1.01. Retrofit Equipment. The watersaving equipment subject to this Agreement and for which a rebate is authorized, is listed and described in Section 1.0 of Attachment "A" hereto (the "Retrofit Equipment").

1.02. Retrofit Equipment Site. The site(s) at which the Retrofit Equipment is installed is listed and described in Section 2.0 of Attachment "A" (the "Site").

2.0 Customer Obligations.

2.01. Purchase, Installation and Maintenance of Retrofit Equipment. At Customer's sole risk, cost and expense, Customer agrees to purchase and install the Retrofit Equipment at the Site prior to the application of any rebates. As of the Effective Date, Customer represents and warrants that it has installed the Retrofit Equipment at the site in compliance with the applicable manufacturer's installation instructions, guidelines and directions covering the Retrofit Equipment. At Customer's sole risk, cost and expense, Customer agrees to keep the Retrofit Equipment in good working condition at the Site(s) for the Term of this Agreement.
2.02 Term. The Term of this Agreement is as provided in Section 3.0 of Attachment "A".

2.03 Compliance with Laws, Regulations, and Ordinances. Customer shall be solely responsible for insuring that the installation and operation of the Retrofit Equipment meets all Federal, State, and local regulatory and permit requirements.

2.04 Provision of Invoices. Customer agrees to provide SAWS copies of all invoices, receipts or statements associated with the purchase and installation of the Retrofit Equipment prior to the issuance of any rebates, or as requested in writing by SAWS. Customer agrees to provide SAWS with any other information requested by SAWS which is related to the Retrofit Equipment, such as maintenance and repair records.

2.05 Right to Inspect. Customer agrees to grant SAWS or its authorized representative’s reasonable access to the Site for the sole purpose of inspecting the use and operation of the Retrofit Equipment. SAWS agrees to provide Customer written notice prior to inspection.

2.06 Compliance with Regulations. During the Term of this Agreement, Customer agrees to comply with all applicable (i) drought and water conservation laws, ordinances, rules and regulations and (ii) water quality laws, ordinances, rules and regulations (all of the foregoing being “Applicable Rules”).

3.0 SAWS' Obligations and Rights.

3.01 Payment of Rebate(s). SAWS will pay Customer the rebate(s) provided in Attachment "A" for the installed cost of the Retrofit Equipment at the Site. The rebate will be paid to the Customer within 30 days following the Effective Date provided SAWS has received and approved all invoices and verified installation of the retrofit equipment. The rebate will be given in a direct check as provided in section 5.0 of Attachment "A".

3.02 SAWS Administrator of Agreement. The designated administrator of this Agreement for SAWS for all purposes is as provided in Section 6.0 of Attachment "A". SAWS may, at its sole discretion, change the designated administrator of this Agreement at any time.

3.03 Data Compilation. SAWS may, at its discretion, review, compile, and analyze pre and post-retrofit water consumption data in connection with this Agreement. SAWS will provide Customer with any analytical results of all compiled data upon receipt of Customer's written request for such information. The provisions of this Section 3.03 shall survive the expiration of this Agreement.

3.04 Publication of Data. Customer acknowledges and agrees that SAWS may publish, advertise, or disclose any and all data or information compiled, gathered or assembled by SAWS in connection with this Agreement, including but not limited to, water consumption data, watersavings, Retrofit Equipment, Site(s), installed costs, and rebate(s). SAWS agrees to provide Customer with copies of any such publications, advertisements or disclosures upon receipt of Customer's written request for such information.
4.00 Conditions of Rebate.

4.01 Calculation of Savings. SAWS shall have the right but not the obligation to calculate the total water savings, on an as needed basis, in order to determine the success of the retrofit in achieving the predicted results as set forth in Attachment A. The total water savings calculation will compare pre-retrofit consumption data with post-retrofit consumption data, taking into account occupancy rates, expansion and modifications, and any other factor affecting total water consumption.

4.02 Recovery of Rebates.

(a) If pursuant to the calculation set forth in section 4.01 herein, SAWS determines that the retrofitted equipment has failed to achieve predicted results, or has been removed or not been maintained properly, Customer shall have 30 calendar days from receipt of SAWS' determination to remedy the cause of the determination. If Customer fails to timely correct the cause of the determination, all or a portion of Customer's rebate(s) shall be repaid to SAWS. The amount to be repaid shall be determined by calculating the actual water savings as a percent of the predicted savings and multiplying that percentage by the initial rebate amount. The product of the calculation shall be then subtracted from the initial rebate amount to determine the amount to be repaid to SAWS.

(b) If SAWS determines that Customer has violated Section 2.06 of this Agreement, SAWS shall promptly notify Customer in writing. If Customer fails to cure such default within thirty (30) days after receipt of such notice, or if the default is of such character as to require more than thirty (30) days to cure and Customer fails to commence to cure within thirty (30) days after receipt of such notice and thereafter to diligently proceeds to cure such default, then in such event Customer's rebate(s) shall be subject to repayment to SAWS upon written notification from SAWS. Customer agrees that such repayment is not a penalty but rather represents an equitable termination and recovery of SAWS monetary obligations under this Agreement, as Customer's representations to SAWS in Section 2.06 were a material inducement to SAWS entering into this Agreement and paying Customer’s rebate(s).

(c) Any amount to be repaid to SAWS shall be due and payable within 5 business days of Customer's receipt of a bill or demand therefore. In the event that the Customer fails to make the repayment within 5 business days, then Customer agrees that SAWS may add the amount due to the Customer's monthly water bill and the failure to make that payment shall subject the Customer to having its water services disconnected. The terms and provisions of this Section 4.02 shall survive the expiration of this Agreement.

5.00 Miscellaneous

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

5.02 Venue. The obligations and undertaking of each of the parties to this Agreement shall be performed in Bexar County, Texas, and venue for any litigation shall be in Bexar County, Texas.
5.03 No Third Party-Beneficiary. SAWS and Customer enter into this Agreement solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege or benefit on any person or entity other than the parties hereto and their permitted assigns.

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

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

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

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

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

5.09 Indemnification. Except for the willful misconduct of the City of San Antonio and SAWS, its officers, agents and employees, Customer agrees to and shall indemnify and hold harmless the City of San Antonio and SAWS, its officers, agents and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person, or for damage to any property, arising out this Agreement or in connection with the installation, maintenance, repair, use, or operation of the Retrofit Equipment, REGARDLESS OF WHETHER SUCH INJURY, DEATH, OR DAMAGE IS CAUSED IN PART OR THROUGH THE SOLE OR CONCURRENT NEGLIGENCE OF SAWS OR ITS AUTHORIZED REPRESENTATIVES. It is the expressed intention of the parties hereto, that the indemnity provided for in this paragraph is indemnity by Customer to indemnify and protect the City of San Antonio and SAWS FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE.
5.10 **Entire Agreement.** This Agreement contains the entire agreement between SAWS and Customer and contains all of the terms and conditions agreed upon. This Agreement supersedes all other arrangements, oral or otherwise, regarding the subject of the Agreement.

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

IN WITNESS WHEREOF, the parties hereto have respectively caused this Agreement to be duly executed as of the _____ day of __________________, 2018.

SAN ANTONIO WATER SYSTEM  Bottling Group, LLC

By_________________________________ By__________________________________

Capacity: Director of Contracting Capacity: _______________________________

San Antonio Water System

_____________________________
Print Name
1.0 The Retrofit Equipment.
The Retrofit Equipment subject to this Agreement is (describe Retrofit Equipment): *The retrofit involves the retrofit and installation of the following water conserving process equipment.*

<table>
<thead>
<tr>
<th>Project</th>
<th>Life</th>
<th>Installed Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water efficiency improvements within the San</td>
<td>10 Years</td>
<td>$588,300.00</td>
</tr>
<tr>
<td>Antonio Pepsi Beverages Production Facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Acre-feet Water Saved</td>
<td>10 Years</td>
<td>282.6</td>
</tr>
<tr>
<td><strong>Total Rebate Amount</strong></td>
<td></td>
<td><strong>$155,415.00</strong></td>
</tr>
</tbody>
</table>

2.0 Site(s). The Retrofit Equipment has been installed at (describe location):
- 6100 NE Loop 410 – Acct# 000309330-0309331-001

3.0 Term.
The Term of this Agreement is *10* years after the Effective Date.

4.0 Anticipated Annual Savings.
The anticipated annual water savings resulting from this retrofit is (in gallons):
- 28.26 ac/ft. or 9,207,641 *gallons*

5.0 Payment of Rebate.
- The total authorized rebate is $155,415.00

Bottling Group, LLC
1111 Westchester Ave
White Plains, NY 10604

- The entire rebate will be supplied to Customer via direct check request: *one installment in the amount of $155,415.00 upon submittal of all invoices and verification of installation of all equipment listed in Section 1.0 of Attachment A.*

6.0 Administrator.
SAWS’ designated administrator of this Agreement is *Brandon Leister*, 2800 U.S. Hwy 281 North, San Antonio, Texas 78212.

7.0 Financial and Rebate Calculations.
- The $155,415.00 rebate will result in 282.6 acre-feet of water saved of the 10 year life term of the equipment. The cost per acre-foot for water saved over a 10-year period is $550.00 per acre-foot.

Based on analysis of the information provided by Bottling group, LLC and verification of production and equipment flow rates, the authorized rebate amount is $155,415.00
TO: San Antonio Water System Board of Trustees

FROM: Douglas P. Evanson, Senior Vice President/Chief Financial Officer

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

SUBJECT: A RESOLUTION REQUESTING CITY COUNCIL TAKE CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2019A”

Board Action Date: December 4, 2018

SUMMARY AND RECOMMENDATION:

The attached resolution requests City Council authorize the issuance and sale of City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2019A (Bonds) to the Texas Water Development Board at subsidized interest rates.

- The funding for the San Antonio Water System (SAWS) Capital Improvements Program (CIP) includes funds from revenues, impact fees, and debt proceeds. A portion of the debt needed to fund the CIP will be issued through the Texas Water Development Board at subsidized interest rates.

- SAWS has benefited from participation in the Clean Water State Revolving Fund of the Texas Water Development Board (TWDB) for wastewater and recycle water projects, the Water Infrastructure Fund for water supply projects, and the Drinking Water State Revolving Fund for water delivery projects. Since 1999, SAWS has placed over $819,000,000.00 in junior lien bonds with the TWDB under these programs. In August 2018, SAWS submitted an application for financial assistance under the Drinking Water State Revolving Fund (DWSRF).

- In November 2018, TWDB authorized a loan in the amount of $33,550,000 under the DWSRF program to fund the La Rosa Pump Station Rehabilitation, Pleasanton Road Water Main Replacement at Hume Road, and the Water Production Facility Upgrade Program Phase II – Wurzbach Pump Station projects. The TWDB provides interest rate savings through subsidized interest rates at closing. A discount of 1.35% is provided under the DWSRF program. Based on market rate as of November 1, 2018, the true interest rate is estimated at 2.72% for a 30 year final maturity bond.

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

The debt service for the bonds will be paid from revenues of SAWS and are included in the current budget.

SUPPLEMENTAL INFORMATION:

The System’s co-financial advisory team of PFM Financial Advisors and Estrada Hinojosa assisted staff in the formulation of this recommendation.

Douglas P. Evanson  
Senior Vice President/Chief Financial Officer

APPROVED:

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

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM RECOMMENDING AND REQUESTING THAT THE SAN ANTONIO CITY COUNCIL TAKE CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2019A”; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING AN EFFECTIVE DATE; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, pursuant to the authority contained in (i) Chapter 1502, as amended, Texas Government Code, (ii) certain ordinances (the Senior Lien Bond Ordinances) previously adopted by the City Council (the City Council) of the City of San Antonio, Texas (the City) authorizing the issuance of the currently outstanding senior lien revenue bonds (the Previously Issued Senior Lien Bonds), (iii) certain ordinances (the Junior Lien Bond Ordinances) authorizing the issuance of the currently outstanding junior lien revenue bonds (the Previously Issued Junior Lien Bonds), (iv) certain ordinances (the Subordinate Lien Bond Ordinances) previously adopted by the City Council authorizing the issuance of subordinate lien revenue bonds and obligations arising under a related credit agreement, and (v) an ordinance adopted by the City Council relating to the implementation of a commercial paper program (the Commercial Paper Ordinances) under which is issued from time to time subordinate lien commercial paper notes (the Commercial Paper Notes), the complete management and control of the water system (the System) of the City is vested in a Board of Trustees known as the San Antonio Water System (the Board), during the period of time any of such foregoing obligations are outstanding and unpaid; and

WHEREAS, the Board has determined that approximately $33,550,000 in junior lien revenue bonds to be designated as “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2019A” (the Series 2019A Bonds) should now be issued by the City and sold to the Texas Water Development Board (the TWDB) pursuant to its Drinking Water State Revolving Fund Program, which Series 2019A Bonds the TWDB has committed to purchase by resolution of its governing body, to provide funds to (i) build, improve, extend, enlarge, equip, and repair the System, (ii) to fund the increase in the required reserve amount attributable to the issuance of such Series 2019A Bonds, and (iii) pay certain costs of their issuance; and

WHEREAS, by virtue of the authority and power vested in the Board with reference to the expenditure and application of the revenues of the System and to comply with the terms and conditions prescribed in the Senior Lien Bond Ordinances and Junior Lien Bond Ordinances, respectively, for the issuance of additional bonds payable from and secured by a junior and inferior lien on and pledge of the Net Revenues of the System, it is necessary and proper for the Board to formally request the City Council to authorize and sell the Series 2019A Bonds, consent to the issuance of the same, approve the ordinance authorizing the Series 2019A Bonds, including the approval of the respective disclosure documents relating thereto and the purchase of bond insurance, if any, along with approving, to the extent applicable or required, the manner

73590298 3
of funding the respective Required Reserve Amount relating to the Series 2019A Bonds, with cash (whether deposited to the Reserve Fund at transaction closing or over time) or to purchase a surety or other insurance policy, if any, and agree to comply with all the terms and provisions of such ordinances, including, but not limited to, those relating to the operation of the System and the handling of the proceeds of the Series 2019A Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM THAT:

1. The City Council is hereby formally requested to authorize and sell fixed rate junior lien revenue bonds, earlier defined herein as the Series 2019A Bonds in a principal amount not to exceed the resultant amount upon application of the limitations described in the preamble hereof, payable from a junior and inferior lien on and pledge of the Net Revenues of the System; and the Board by the adoption of this Resolution hereby evidences its consent to the issuance and sale of such series of junior lien revenue bonds and the payment thereof from the Net Revenues of the System on the level of priority specified hereof, as well as its approval of an ordinance (the Ordinance) authorizing the issuance of the “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2019A”, substantially in the form attached to this Resolution as Exhibit A and incorporated herein by reference for all purposes, including delegation of the authority to finalize the terms of sale to such Authorized Official as set forth in the Ordinance; and the Board hereby agrees to comply with all of the terms and provisions of the Ordinance with relation to the administration and operation of the System and the disposition of the revenues therefrom.

2. The Board recommends that the City Council approve the sale of the Series 2019A Bonds to the TWDB at the purchase price of par, less the TWDB’s fee (as specified in the Ordinance), if any, and no accrued interest, and to authorize an Authorized Official to execute an “Approval Certificate” relating to the Series 2019A Bonds evidencing final terms of sale thereof, if such Authorized Official, based upon the advice of the officials, employees, consultants and other representatives of the System (including its co-financial advisors), determines that the interest rates offered by the TWDB are acceptable and within the limits authorized by, and as described in, the Ordinance and pursuant to Chapters 1371 and 1502, as amended, Texas Government Code.

3. The offering document relating to the Series 2019A Bonds (being a Private Placement Memorandum), substantially in the form presented at this meeting, is hereby approved, the Chair or Secretary of the Board is authorized to prepare or approve any changes or additions to these disclosure documents which shall be deemed appropriate or necessary, and the Chair or Vice Chair and Secretary of the Board is authorized to execute the final Private Placement Memorandum on behalf of the Board.

4. The Board recognizes that Section 36 of the Ordinance relating to “Covenants to Maintain Tax Exempt Status” contains covenants of the City relating to the Series 2019A Bonds. Since the proceeds of the Series 2019A Bonds will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in Section 36 of the Ordinance.
5. The Board recognizes that Section 53 of the Ordinance relating to “Continuing Disclosure Undertaking” contains covenants of the City relating to the Series 2019A Bonds. Since certain financial information, financial status, operating data, and annual audits of the System will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in Section 53 of the Ordinance.

6. The Board approves the delegation to each Authorized Official to comply with the conditions precedent to the issuance of the Series 2019A Bonds, as authorized by the Ordinance and any other matter to effectuate the respective intent and purpose of the Ordinance. In addition to the foregoing, each Authorized Official is hereby delegated the authority to execute any reimbursement, credit, or similar agreement governing the terms and conditions by which the City will be obligated to repay the provider of a debt service reserve surety policy in the event that such policy is ever drawn upon, a substantially final copy of which is attached hereto as Exhibit B and is hereby approved by the Board.

7. The professionals appointed by the Board, PFM Financial Advisors LLC and Estrada Hinojosa & Company, Inc., as the co-financial advisors, and Norton Rose Fulbright US LLP and ________________ as co-bond counsel, are authorized, upon consultation with System and City staff, to coordinate the legal and financial aspects relating to the transaction including, but not limited to, preparation of related bond documents, and to otherwise coordinate the legal and financial aspects of this matter with the national rating services and bond insurance companies (if applicable) to ensure that the System and the City receives the lowest possible interest rate for the issuance of the Series 2019A Bonds. In addition, the Board authorizes the payment of the national rating agency fees, bond insurance and surety bond premiums (if any), and any and all professional fees and expenses associated with the issuance of the Series 2019A Bonds upon the approval of written invoices by any Authorized Officials, or his or her designee.

8. In order to comply with various provisions of Texas law and for the interest on the Series 2019A Bonds to be tax-exempt, various certificates must be provided to Co-Bond Counsel and to the Attorney General for the State of Texas; therefore, upon obtaining the advice and consent of legal counsel, the Chair, Vice Chair, or Secretary of the Board and each other Authorized Official is authorized to execute any certificate (including but not limited to a Certificate of Tax Exemption relating to the Series 2019A Bonds), or other documents, relating to the issuance, sale, and delivery of the Series 2019A Bonds.

9. The Board delegates to each Authorized Official the authority to take any and all other actions consistent with the provisions of this Resolution and the Ordinance to effectuate the sale, issuance and delivery of the Series 2019A Bonds.

10. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

11. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.
12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

13. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

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

15. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED AND APPROVED this the 4th day of December, 2018.

BOARD OF TRUSTEES, SAN ANTONIO WATER SYSTEM

Chair

Attest:

Secretary

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EXHIBIT A

Ordinance

See Tab No. ___
EXHIBIT B

Form of Debt Service Reserve Surety Policy

N/A