AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
March 12, 2019, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

and
via video conference

(The presiding officer and a majority of the Board’s quorum to be physically present at the
above address in San Antonio, TX. In accordance with the Texas Open Meetings Act, members
participating remotely shall be counted as being present for all purposes in the meeting.)

1. MEETING CALLED TO ORDER.

2. Announcements.

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

3. Minutes.

   A. Approval of the Minutes of the San Antonio Water System Board of Trustees
   Regular Board Meeting of January 15, 2019.


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 – 16

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. Authorizing additional funds to the existing contract with DN Tanks, Inc. to provide: digester concrete tank dome rehabilitation at the Dos Rios Water Recycling Center, Bid No. 18-18115, for a total of $83,900.00.

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

1. Authorizing additional funds to the existing sole source contract with AT&T to provide: telephone system and network connectivity services, Bid No. 15-1247, for a total of $78,000.00.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

7. A Resolution awarding a construction contract to Thyssen-Laughlin, Inc. in an amount not to exceed $2,180,362.57 in connection with the Westpointe West Off-Site Sewer Extension – Phase I Project; approving a contract between the System, Thyssen-Laughlin, Inc. and Meritage Homes of Texas, LLC for the project work; authorizing the expenditure of funds in the amount of $1,211,409.44 for the System’s proportionate share of the project work payable to Thyssen-Laughlin, Inc. and the expenditure of funds in the amount of $121,140.94 for the System’s proportionate share of the engineering design fees payable to Meritage Homes of Texas, LLC. (ANDREA BEYMER – TRACEY LEHMANN)

8. A Resolution awarding a construction contract to R.L. Jones, LP in an amount not to exceed $447,475.00 in connection with the Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) Project; approving a contract between the System, Century Land Holdings II, LLC and R.L. Jones, LP for the project work; authorizing the expenditure of funds in the amount of $161,523.11 for the System’s proportionate share of the project work payable to R.L. Jones, LP and the expenditure of funds in the amount of $16,152.31 for the System’s proportionate share of the engineering design fees payable to Century Land Holdings II, LLC. (ANDREA BEYMER – TRACEY LEHMANN)
Water and Sewer Line Improvements

9. A Resolution approving additional funds in an amount not to exceed $146,742.05 to the existing construction contract with Southland/Renda Joint Venture in connection with the E-19: Seguin Road to Nacogdoches Road – Segment 1 Project.
   (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Production, Transmission and Treatment Improvements

10. A Resolution approving Change Order No. 2 in an amount not to exceed $342,500.00 to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project.
    (ANDREA BEYMER – MICHAEL MYERS)

EASEMENT AND REAL PROPERTY

11. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent sewer easements, temporary construction easements, and fee simple property acquisitions for the W-6: Highway 90 to W Military Drive Sewer Main Project in the southwest quadrant of Bexar County, Texas, which property shall be acquired by negotiation and/or condemnation, if necessary, for the public use of the expansion and operation of the System; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and fee simple property, and authorizing the System to take all appropriate action to acquire the property by negotiation and/or condemnation. Property located in: New City Blocks 13975, 15655, 15318, 15323, 15302, 15299, 15286, 15285, 15602, 15589, 15600, 16528, 16531, 13951, and 13962. (NANCY BELINSKY – BRUCE HABY)

12. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent sewer easements and temporary construction easements for the W-1 Leon Creek: Highway 151 to Highway 90 – Lower Segment Project in the southwest quadrant of Bexar County, Texas, which property shall be acquired by negotiation and/or condemnation, if necessary, for the public use of the expansion and operation of the System; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the property by negotiation and/or condemnation. Property located in: New City Blocks 13942, 13951, and 15332. (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

13. A Resolution awarding a construction contract to Bartek Construction Co. in an amount not to exceed $482,738.00 in connection with 2019 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 3. (JEFF HABY – ANNETTE DURON)
14. A Resolution approving additional funds in an amount not to exceed $271,506.15 to the existing professional services contract with ADS Environmental Services in connection with the Wastewater Flow Metering Services Project.  
(ANDREA BEYMER – TRACEY LEHMANN)

15. A Resolution approving the First Amendment to the Wholesale Water Service Contract with the East Central Special Utility District.  
(DONOVAN BURTON – DARREN THOMPSON)

16. A Resolution approving the Second Amendment to the Wholesale Water Service Contract with the City of Elmendorf.  
(DONOVAN BURTON – DARREN THOMPSON)

ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

17. 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>
<th>JBSA</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
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<tbody>
<tr>
<td>1</td>
<td>Elmac Tract</td>
<td>Elmac Ltd</td>
<td>42.30</td>
<td>200</td>
<td>200</td>
<td>CoSA INSIDE</td>
<td>Y</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Stolte Tract</td>
<td>Hugo Stolte</td>
<td>241.00</td>
<td>670</td>
<td>655</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>Fischer Road Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>225.00</td>
<td>1,434</td>
<td>1,350</td>
<td>CoSA ETJ OUTSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>4</td>
<td>Cuisine Solutions Tract</td>
<td>Brooks Development Authority</td>
<td>23.70</td>
<td>900</td>
<td>900</td>
<td>CoSA OUTSIDE</td>
<td>N</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>5</td>
<td>Chavaneaux Place Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>92.17</td>
<td>606</td>
<td>550</td>
<td>CoSA OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>6</td>
<td>Morgan’s Camp Tract</td>
<td>Gordon Hartman Family Foundation</td>
<td>117.66</td>
<td>108</td>
<td>83</td>
<td>CoSA ETJ INSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>7</td>
<td>Falcon Landing East</td>
<td>KB Home Lone Star, Inc.</td>
<td>271</td>
<td>1575</td>
<td>1500</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
</tbody>
</table>

Total: 1,012.83 acres, 5,493 W EDUs, 5,238 WW EDUs
18. A Resolution approving a service area agreement between the San Antonio Water System, Continental Homes of Texas, L.P., TAW Properties, Ltd., and South Central Water Company regarding areas to be served by the San Antonio Water System and South Central Water Company; approving the filing of a petition with the Public Utilities Commission of Texas for approval of the service area agreement.  
(ANDREA BEYMER – TRACEY LEHMANN)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

19. A Resolution approving an Interlocal Agreement with the Port Authority of San Antonio; authorizing the expenditure of funds in an amount not to exceed $4,100,000.00 for the adjustment and installation of water, sewer and recycled water facilities by the City of San Antonio in connection with the Port San Antonio Drainage Channel Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

MISCELLANEOUS ITEMS

20. A Resolution adopting the Board approved threshold of $100,000.00 for the Purchasing and Contracting Policy. (NANCY BELINSKY – PHILIP CAMPOS)

21. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Vista Ridge Project
   B. Briefing and deliberation regarding the Five-Year Water Conservation Plan
   C. Briefing and deliberation regarding the Sanitary Sewer Overflow Reduction Program

22. President/Chief Executive Officer’s Report.
   A. SAWS 2018 Accomplishments

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

24. The Regular Session of the March 12, 2019, 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.

25. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding legal matters related to Cause No.2018CI05898, Daniel Nishihara, et al. v. CDM Smith Inc. F/K/A Camp
B. 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.

26. The Regular Session of the Regular Board Meeting of March 12, 2019, is hereby reconvened.

27. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF MARCH 12, 2019, IS HEREBY ADJOURNED.
1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on January 15, 2019, and called to order at 9:06 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 November 13, 2018.
Chairman Guerra asked if there were any corrections to the minutes. Hearing none, he stated the minutes were approved as presented.

4. **Ceremonial and Recognition Items.**

Pat Jasso commented on SAWS partnership with the National Audubon Society to manage and operate the Mitchell Lake Wildlife Refuge since 2004. SAWS has long recognized Mitchell Lake's unique ecological value as an educational and recreational resource for the community. In August, the Board approved a cost-sharing agreement with the Army and the Corps of Engineers for the Aquatic Ecosystem Restoration Feasibility Study at Mitchell Lake. She stated SAWS was proud to host the Audubon Photography Exhibit in the lobby of the Headquarters and the Customer Center. The exhibit would be available through January 28. She recognized the director of the Mitchell Lake Audubon Center, Sara Beesley. Ms. Beesley thanked SAWS and the Board for being an incredible partner to Audubon and to Mitchell Lake. Chairman Guerra thanked Ms. Beesley for her service to the community and for her work at Mitchell Lake.

Chairman Guerra commented on the passing of Kay Kutchins. Ms. Kutchins left a lasting impression as a water advocate and a long time member and chair of SAWS Citizens Advisory Panel (CAP). She was the first woman to be inducted into the American Water Works Association Hall of Fame in 2014, and received the Outstanding Service Award for her service to the water industry in 2004.

Steven Seibert acknowledged the retiring members of the CAP, and introduced retiring members who were in attendance: Marcy Andrade and Al Arreola Jr. He thanked the members for their time, dedication and commitment to work with SAWS and for their service to the community. Other retiring CAP members who were unable to attend were Adam Flores Boffa, Charlotte Forney and Ayda Gonzalez.

Nathan Riggs acknowledged the retiring members of the Community Conservation Committee (CCC). He introduced retiring CCC members who were in attendance: Grant Ellis, Gina Candelario, Gabriel Durand-Hollis, and Monica Maekle. He thanked the members for their time, dedication and commitment to work with SAWS and for their service to the community. Other retiring CAP members who were unable to attend were Cynthia Parsons, Afamia Elnakat, Lester Bryant, and Anna Lisa Bacon.

Chairman Guerra thanked each of the members for their time away from work and families to volunteer. The Board was appreciative of their service to SAWS and the community.

5. **Public Comment.**

Alan Montemayor stated the Sierra Club did not endorse the Vista Ridge Project, but did support the application of the costs associated with the project to impact fees. He discussed the climate action plan that would be coming out in January, and asked the Board to look at fleet vehicles and how SAWS used energy. He stated he was in support of a solar project at the H2Oaks Center that would be a huge benefit to SAWS, CPS Energy, and the citizens of San Antonio.

Denise Ojeda thanked the Board for honoring her fellow CAP member, Ms. Kutchins. She
acknowledged Steven Siebert for the phenomenal job facilitating the group discussions for the CAP. Mr. Siebert has been able to build a space that was completely safe, inclusive and truly diverse. She thanked Steven for everything he has done for the community and the way he has gone about it.

Mike Frisbie stated he looked forward to working with the Board, and thanked Mr. Puente for the opportunity to be SAWS chief operating officer. He commented on working with Steve Clouse over the last month and for the last 11 years while Mr. Frisbie was at the City. He commented on an item for consulting services with Mr. Clouse that would continue work on a dozen or more projects including the future of the chilled water system, the business continuity plan, the Vista Ridge Project, the Mitchell Lake project, coordination with CPS Energy, Bed and Banks, and the Consent Decree. He stated he was excited to be a part of the team and helping to move SAWS forward.

CONSENT AGENDA ITEMS

Items 6 – 40

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

6. A Resolution awarding a construction contract to Wauters Engineering, LLC in an amount not to exceed $593,531.20 in connection with the Blue Skies Offsite Water Main Extension Project; approving a contract between the System, Wauters Engineering, LLC and CW-Blue Sky, LLC for the project work; authorizing the expenditure of funds in the amount of $259,669.90 for the System’s proportionate share of the project work payable to Wauters Engineering, LLC and the expenditure of funds in the amount of $25,966.99 for the System’s proportionate share of the engineering design fees payable to CW-Blue Sky, LLC. (ANDREA BEYMER – TRACEY LEHMANN)

7. A Resolution awarding a construction contract to Wauters Engineering, LLC in an amount not to exceed $675,523.85 in connection with the Grosenbacher Road 16-inch Approach and Border Main Project; approving a contract between the System, Wauters Engineering, LLC and Continental Homes of Texas, LP for the project work; authorizing the expenditure of funds in the amount of $326,443.39 for the System’s proportionate share of the project work payable to Wauters Engineering, LLC and the expenditure of funds in the amount of $32,644.39 for the System’s proportionate share of the engineering design fees payable to Continental Homes of Texas, LP. (ANDREA BEYMER – TRACEY LEHMANN)

Water and Sewer Line Improvements

8. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $753,982.00 in connection with the Water Main Dead End Main Project. (ANDREA BEYMER – TRACEY LEHMANN)

MINUTES 3 01-15-19
9. A Resolution awarding a construction contract to San Antonio Constructors, Ltd. in an amount not to exceed $1,193,574.50 in connection with the 2018 Open Cut Sanitary Sewer Package Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

10. A Resolution awarding a professional services contract to Arcadis U.S., Inc. in an amount not to exceed $501,699.00 in connection with the Central Sewershed Package 7 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

11. 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)

12. 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)

Production, Transmission and Treatment Improvements

13. A Resolution awarding a professional services contract to Garcia Infrastructure Consultants, LLC in an amount not to exceed $300,000.00 in connection with the 2019 Treatment Facilities Engineering Work Order Contract. (ANDREA BEYMER – MICHAEL MYERS)

14. A Resolution awarding a professional services contract to Moreno Cardenas, Inc. in an amount not to exceed $200,000.00 in connection with the 2019 Treatment Facilities Engineering Work Order Contract. (ANDREA BEYMER – MICHAEL MYERS)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

15. A Resolution awarding a construction contract to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in an amount not to exceed $1,591,451.00 in connection with the 2020 SMP Package I (Oak Knoll Dr., Mazzurana Place, & Griggs Ave.). (ANDREA BEYMER – GAIL HAMRICK-PIGG)

16. A Resolution awarding a construction contract to T Construction, LLC in an amount not to exceed $1,705,406.85 in connection with the 2020 SMP Package II (Gillespie St., Pasadena St., & W. Russell Pl.). (ANDREA BEYMER – GAIL HAMRICK-PIGG)

17. A Resolution awarding a construction contract to R.L. Jones, LP in an amount not to exceed $1,263,224.00 in connection with the 2020 SMP Package III (Morales and E. Huff). (ANDREA BEYMER – GAIL HAMRICK-PIGG)

18. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $975,825.00 in connection with the 2020 SMP Package IV (Cadwallader St. and E. Upson). (ANDREA BEYMER – GAIL HAMRICK-PIGG)

19. A Resolution approving reimbursement to the City of San Antonio in an amount not to exceed $168,650.00 for the adjustment of water and sewer facilities by the City of San Antonio.

20. A Resolution approving reimbursement to the City of San Antonio in an amount not to exceed $113,400.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the 2019-2020 Task Order Contract for Flatwork and Street Improvements Package 1. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

21. A Resolution approving reimbursement to the City of San Antonio in an amount not to exceed $186,330.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the Task Order Contract for Miscellaneous Construction Projects Package 1. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

22. A Resolution authorizing the expenditure of additional funds in the amount of $2,500,000.00 for engineering services related to water and sewer facility replacements, installations and adjustments by the City of San Antonio in connection with the 2017 - 2022 Bond Program. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

23. A Resolution approving an Advance Funding Agreement with the Texas Department of Transportation; authorizing expenditures in an amount not to exceed $115,170.66 for the adjustment of the water and sewer facilities by the Texas Department of Transportation in connection with the SH-16 at Cedar Trail Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

24. A Resolution approving an Advance Funding Agreement with the Texas Department of Transportation; authorizing expenditures in an amount not to exceed $26,565.00 for the removal of asbestos cement pipe by the Texas Department of Transportation in connection with the SH-16 at Cedar Trail Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

25. A Resolution approving additional funds in an amount not to exceed $368,576.34 to the existing Advance Funding Agreement with the Texas Department of Transportation in connection with the US 281: Stone Oak Parkway to Bexar/Comal County Line Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

26. A Resolution accepting the bid from and approving a purchase/exchange agreement with Shavano LDR No.4 Commercial Partnership, LTD and Denton Development Company, Inc. for the purchase and exchange by the City of San Antonio acting by and through the San Antonio Water System, for certain real property being approximately 3.923 acres located along Indian Woods, San Antonio, Texas in the northeast quadrant of Bexar County, for the De Zavala Elevated Storage Tank Project in exchange for the conveyance by the System of a certain approximately 1.924 acre surplus property located off Overlook Parkway in San Antonio, Bexar County, Texas; authorizing the expenditures of funds in an amount not to exceed $285,000.00 for the acquisition of the property and conveyance in accordance with the terms of the purchase/exchange agreement and related closing and title insurance costs. (NANCY BELINSKY – BRUCE HABY)
27. A Resolution approving an amendment to Shopping Center Sublease Agreement between the San Antonio Water System and CPS Energy for a term of twelve months at the Las Palmas Shopping Center for approximately 2,857 sf of office space located at 803 Castroville Road, Suite 406, San Antonio, Texas, in an amount not to exceed $50,560.00. (NANCY BELINSKY – BRUCE HABY)

28. A Resolution declaring a public necessity for public use, the acquisition of certain real property in the City of San Antonio being temporary construction and access easements for the DR 1091 - 800 N. Loop 1604 Sewer Main Project in the northeast quadrant of Bexar County, Texas, for the public use of the repair and operation of the System; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the system to take all appropriate action to acquire the easement by negotiation and/or condemnation. Project located in NCB: 17430. (NANCY BELINSKY – BRUCE HABY)

29. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent water easements and temporary construction and access easements for the Central Water Integration Pipeline Segment 5-4 Project in the northeast quadrant of Bexar County, Texas, which easements shall be acquired by negotiation and/or condemnation, if necessary, for the public use of the expansion and operation of the System; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the system to take all appropriate action to acquire the easement by negotiation and/or condemnation. Project located in NCB: 11960, 16743, 8673. (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

30. A Resolution approving an amendment to the Wholesale Sewer Service Contract with the Cibolo Creek Municipal Authority. (ANDREA BEYMER – TRACEY LEHMANN)

31. A Resolution approving services work orders from Infor Public Sector, Inc. in an amount not to exceed $662,709.97 for the period of January 1, 2019 through December 31, 2019 in connection with configuring and implementing enhancements to the Infor applications and related processes. (SREE PULAPAKA)

32. A Resolution authorizing expenditures in an amount not to exceed $1,500,000.00 for the purchase of Cisco System products and services through the State of Texas Department of Information Resources Contract DIR-TSO-4167 and its resellers for the Infrastructure, Engineering, and Operations Groups for 2019. (SREE PULAPAKA)

33. A Resolution awarding a construction contract to Gilbert’s Utility & Concrete Work, Inc. in an amount not to exceed $597,325.00 in connection with the 2019 Annual Concrete Placement Work Order Construction Contract, Package I. (MICHAEL BRINKMANN – GORDON MAHAN)
34. A Resolution awarding a construction contract to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in an amount not to exceed $567,974.00 in connection with the 2019 Annual Concrete Placement Work Order Construction Contract, Package II. (MICHAEL BRINKMANN – GORDON MAHAN)

35. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $1,395,175.00 in connection with the 2019 Annual Water Distribution Leak Repairs Contract – Package 1. (MICHAEL BRINKMANN – LEAMON ANDERSON)

36. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $1,380,175.00 in connection with the 2019 Annual Water Distribution Leak Repairs Contract – Package 2. (MICHAEL BRINKMANN – LEAMON ANDERSON)

37. A Resolution awarding a construction contract to Bartek Construction, Co. in an amount not to exceed $1,394,320.00 in connection with the 2019 Annual Water Distribution Leak Repairs Contract – Package 3. (MICHAEL BRINKMANN – LEAMON ANDERSON)

38. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $1,370,875.00 in connection with the 2019 Annual Water Distribution Leak Repairs Contract – Package 4. (MICHAEL BRINKMANN – LEAMON ANDERSON)

39. A Resolution approving a Letter Agreement with Steven M. Clouse in an amount not to exceed $144,000.00 for a period expiring December 31, 2019, for operations consulting services. (ROBERT R. PUENTE)

40. A Resolution approving the Internal Audit Risk Assessment and 2019 Annual Audit Plan and directing that the plan be implemented. (STACEY ISENBERG)

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

Mr. Parra made a motion to approve the Consent Agenda Items 6 – 40. Ms. Jasso seconded the motion.

Consent Agenda Items 6 – 40 were unanimously approved. Verbal voting.

ITEMS FOR INDIVIDUAL CONSIDERATION

41. A Resolution appointing new members to the Citizens Advisory Panel for a two-year term expiring December 31, 2020, reappointing returning members for a term expiring December 31, 2020, and appointing the Chairperson to the Citizens Advisory Panel for a one-year term expiring December 31, 2019. (DONOVAN BURTON – DARRETH THOMPSON)
Mr. Siebert presented Item 41, the appointment of members to the CAP. He reviewed the structure for the CAP and the recruiting efforts to seek nominees for existing vacancies. Starting in September, staff began recruiting efforts through the Mayor's Office and with the Board, and then went to select council districts where vacancies exist or geographic areas of the community where additional representation was needed.

He noted the individuals that were retiring from the CAP and introduced the staff recommendations for CAP membership. First, Robert Sheldon was recommended for the appointment of chair for 2019. He discussed Mr. Sheldon’s background and past service on the CAP. Next, he introduced the suggested reappointments of current CAP members who were eligible for another two-year term, which included Rachel Cywinski, Dr. Yongli Gao, Yulanee McKnight, Robert Sheldon, Mayor Suzanne de Leon, Mayor Mary Dennis, Cullen Jones, William Ramos, II, and Garland Scott. He then discussed the suggested new candidates, Steven Garcia, Monika Maeckle, Mitchell Sowards, and Carla Walker. Staff recommended the appointment of Robert Sheldon as the chair for 2019, and the new and returning members for 2019.

Mr. Parra made a motion to approve Item 41. Ms. Hardberger seconded the motion.

After no further discussion, Item 41 was unanimously approved. Electronic voting.

42. A Resolution appointing new members to the Community Conservation Committee for a two-year term expiring December 31, 2020, reappointing returning members for a term expiring December 31, 2020, and appointing the Chairperson to the Community Conservation Committee for a one-year term expiring December 31, 2019.

(GAVINO RAMOS – KAREN GUZ)

Mr. Riggs presented Item 42, the appointment of members to the CCC. He reviewed the structure for the CCC and the recruiting efforts to seek nominees for existing vacancies, which was the same as the CAP. Starting in September, staff began recruiting efforts through the Mayor's Office and with the Board and then went to select council districts where vacancies exist or geographic areas of the community where additional representation was needed.

He noted the individuals that were retiring from the CCC and introduced the staff recommendations for CCC membership. First, Laurie Casias was recommended for the appointment of chair for 2019. He discussed Ms. Casias' background and past service on the CCC to include serving as chair in 2018. Next, he introduced the suggested reappointments for current CCC members who were eligible for another two-year term, which included Laurie Casias, Juanita Smith, Sandy Jenkins, Juan Fernandez, Priscilla Gonzaba, Karen Bishop, Donalda Smith, Dan Green and Kath Glascock. He then discussed the suggested new candidates, Marcy Andrade, Carlos Otterbach, Aubry C. Lewis, Ann Newman, Brice Moczygemba, Michael Berger, David Eastman, and Joe Shinners. Staff recommended the appointment of Laura Casias as the chair for 2019, and the new and returning members for 2019.

Ms. Merritt made a motion to approve Item 42. Mr. Parra seconded the motion.
After no further discussion, Item 42 was unanimously approved. Electronic voting.

Chairman Guerra thanked the members for their commitment to the citizens and their willingness to volunteer for the CAP and CCC.

43. **BRIEFING SESSION.**

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

Marty Jones provided an update on the construction of the Vista Ridge Project. Garney had installed approximately 105 miles of the 142-mile pipeline or about 74 percent. There were four crews installing pipe in different areas. Garney was doing a great job and moving fast, despite all the wet weather.

Well field construction in Burleson County was also moving along as planned. There were nine well sites and each well site had two wells, one in the deeper Simsboro Aquifer and one in the shallow Carrizo Aquifer. The well drilling was complete for all 18 wells, but Garney was waiting on the pumps and electrical gear. Garney was concentrating construction efforts on the well pump foundation and the electrical building. Construction for the nine well sites was about 20 percent complete. The seven miles of well field collection piping that connect all the well fields to the nearby high service pump station was about 95 percent complete.

Construction at the high service pump station was about 35 percent complete. This was where the groundwater was collected and treated to drinking water standards before sending the water to San Antonio. The site included a four million gallon ground storage tank, disinfection facility, and a pump station with four pumps. The site also included a huge cooling tower that would be used to cool the water from about 110 degrees to about 83 degrees to meet contractual obligations. Garney had completed construction of the ground storage tank and all the yard piping. Garney was working on the disinfection facility, the electrical buildings, the pump station foundation, and finishing the cooling tower.

There were two booster pump stations along the pipeline that would keep all the water moving towards San Antonio. Intermediate Pump Station 1 was located near Elgin, Texas, and was about 25 percent complete. The site housed a four million gallon storage tank and four pumps. Tank construction was complete, and Garney was working on the electrical building and the pump station foundation. Intermediate Pump Station 2 was near Seguin, Texas, and was about 55 percent complete. It also housed a four million gallon storage tank and four pumps. The tank, electrical building, and pump station foundation were just about complete. Garney was waiting on the pumps to be delivered and for the electrical gear.

At the terminus facility in San Antonio, Garney had finished construction of their 10 million gallon tank that served as the drop-off point for all of the Vista Ridge water. There was still a little bit of buried piping and electrical to install, but Garney was about 90 percent done at the site. SAWS was also constructing the Agua Vista Station at the same site that would treat all the Vista Ridge water to make it compatible with the Edwards supply before blending the water into the system. SAWS contractors were just about done constructing the second 10 million gallon tank on this site, and was trenching for all the buried piping and required
SAWS improvements included calcium addition facilities, pressure filters, disinfection and fluoride facilities, and solids handling facilities. There would also be four pumps at the site to move Vista Ridge water into the Stone Oak area. Construction for the terminus site as a whole was about 10 percent complete.

SAWS was also responsible for the electrical service to all of the Vista Ridge facilities. Construction for the electrical service was well underway. Bluebonnet Electrical Co-Op in Bastrop was installing electrical service to the high service pump station, the well field, and Intermediate Pump Station 1. Service to the well field was about 10 percent complete, and should be done this summer. Service to the high service pump station was about 70 percent complete, and should be completed this spring. The service to Intermediate Pump Station 1 near Elgin was about 60 percent complete, and would be completed in the spring. GVEC in the Schertz area was constructing the electrical service for Intermediate Pump Station 2. Service there was about 60 percent complete, and should be done in the spring. SAWS was also working with CPS Energy to get power to the terminus site in San Antonio. Construction of that service was about 50 percent complete, and should be done this summer.

He discussed the work with the project company for 2019. With regards to construction, the project company planned to be substantially complete with the pipeline and all of the facilities this summer to start testing the system. The project company would like to start delivering water to SAWS in December so that both SAWS and the project company could do some testing together in preparation for the big performance test to take place in January 2020. The project company would operate their system at full capacity for a few weeks to achieve acceptance of the system. Obviously, the main focus to SAWS would be getting all of the integration components constructed and tested so the water could be accepted in December, and integrated during the performance test. The project company would be working closely with SAWS to develop operating protocol that would serve as the guide for the daily operations, maintenance, and communication between the project company and SAWS. SAWS and the project company would be working together on a start-up and commissioning plan that would outline the procedures and responsibilities for both parties during the performance testing in January 2020, and the formal start-up of the system scheduled for April 2020. SAWS was developing an accounting system for tracking the water supply and delivery to make sure that everything aligned with the WTPA requirements. In the coming months, both SAWS and the project the company would select panelists for the Vista Ridge O&M Budget Panel. This was a five-member panel that would meet monthly to review the efficiency and cost for the Vista Ridge supply system. Staff would come to the Board for approval of the selected member. Lastly, as part of SAWs obligation to provide electrical service for all of the Vista Ridge facilities, staff would work with the electrical service providers to bring power to the cathodic protection equipment that the project company was installing all along the 142-mile pipeline. This equipment basically provided a very low voltage electrical charge to the steel components of the buried pipeline to protect it from corrosion.

Mr. Parra asked if the cathodic protection would extend the life of the pipeline. Mr. Jones responded he was not sure how long it would extend the life. In some cases, buried sacrificial anodes could be installed that basically take the brunt of the corrosion for the buried pipeline, but these would diminish and have to be replaced over time. The project company did an evaluation and found that it would take an enormous amount of anodes for the pipeline. An
impressed current cathodic protection system would replace the electrons that the anodes lose and would keep the anodes from corroding so fast. The impressed current system would still deteriorate over time, but there were far fewer anodes to replace and the anodes would last a lot longer. Also, the electrical usage for the impressed current system was very low, and this would definitely pay for itself in the long-run.

Ms. Hardberger inquired about the qualifications and process to appoint the O&M Budget Panel. Mr. Jones replied the qualifications for the appointee would be a senior water industry expert with knowledge of operations and maintenance of a system. The qualifications were in the WTPA, and both parties had to agree on the appointees. SAWS would select one member, and the project company would select one member. Those members would select the third and fourth members, and those four members would select the chair.

B. Briefing and deliberation regarding the 2019 State Legislative Update

Donovan Burton provided an update on the Legislative Session. About 1,200 bills had been filed, and staff was tracking about 90 of the bills. The committee assignments had not been done. House members would submit committee preference cards, and the speaker would go through a process of determining who would be on each committee. The same process would happen on the Senate side. The only change on committees was on the Senate side. The Agricultural Water and Rural Affairs Committee was split into two committees, which could change the interest of some of the members. Agriculture was one committee, and the water committee was called Water and Rural Affairs.

Imminent domain was going to be a big topic again. On the water side, there were three or four bills filed on ASR, flooding, and storage of various types of water. A few disaster notification and funds bills had been filed. There were a couple of environmental permitting bills, and the export bill had been filed in two different locations. Representative Ashby filed the direct bill and Representative Larson filed another bill overhauling groundwater permitting general. Representative Larson also filed a number of brackish bills.

He mentioned the chamber’s VIVA SA event, which was scheduled for March 5. This was on the day of SAWS board meeting, but there was an opportunity for board members to go in the afternoon. He discussed Justin Rodriguez’ move to County Commissioners Court. Five candidates applied for the vacant position, so a special election to fill Justin Rodriguez’ seat would be in February.

Chairman Guerra inquired about the five candidates that filed for the position as a state representative to replace Justin Rodriguez. Mr. Burton responded former City Council Members Ray Lopez and Art Reyna were among the candidates. There was one Republican and four Democrats that filed.

Ms. Hardberger asked if there was any indication of the chair for the Water and Rural Committee. Mr. Burton stated he did not know, but thought it would probably be Senator Charles Perry from Lubbock.

Ms. Jasso commented that Coda Rayo-Garza was also a candidate for state representative to replace Justin Rodriguez.
44. President/Chief Executive Officer’s Report.

A. Briefing and deliberation regarding the legal and legislative history of the Edwards Aquifer

Mr. Puente asked to pull the briefing item on the legal and legislative history of the Edwards Aquifer. Trustee Hardberger had asked questions at the last meeting about Chapter 36 and the Edwards Aquifer Authority and Trustee Jasso also had questions. With the Trustees’ interest and it being just a great story to tell, he wanted the Mayor and Trustee McGee to hear the presentation. He commented on items 35 through 38 that the Board approved were for leak repairs of over $5 million. These items included contributions from the Edwards Aquifer Authority to fix leaks in the system under the EARIP, which was the habitat rehabilitation program. Chairman Guerra agreed and stated the briefing was pulled until the next meeting.

45. 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 10:10 a.m.

46. The Regular Session of the January 15, 2019, 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 January 15, 2019, is hereby reconvened.
The meeting reconvened at 10:37 a.m. The Chairman stated that no decisions were made in Executive Session.

49. **Adjournment.** THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JANUARY 15, 2019, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of January 15, 2019, adjourned at 10:37 a.m.

_________________________________
Berto Guerra, Jr., Chairman

**ATTEST:**

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

Board Action Date: March 12, 2019

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

<table>
<thead>
<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
</tr>
</thead>
</table>
| A. Award of New One Time Purchases of Materials, Equipment or Services      | Number of Contracts: 1  
Estimated Amount: 83,900.00  
(SMWB) 0.00%  
(SMWB) 0.00%  
SMWB Purchasing Contracts (percentage) 0.00%  
Number of Contracts: 1  
Estimated Amount: 83,900.00  
(SMWB) 0.00%  
| B. Award of New and Renewal of Annual Goods & Services Requirements Contracts and Maintenance Agreements | Number of Contracts: 5  
Estimated Amount: 2,194,212.61  
(SMWB) 16.67%  
SMWB Purchasing Contracts (percentage) 16.67%  
Number of Contracts: 6  
Estimated Amount: 2,278,112.61  
(SMWB) 14.25%  

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 12th day of March, 2019

______________________________
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>DN Tanks, Inc.</td>
<td>Request for Proposal for Digester Concrete Tank Dome Rehabilitation at the Dos Rios Water Recycling Center Bid No. 18-18115</td>
<td>All</td>
<td>$ 83,900.00</td>
<td>This is a current contract and additional funds are being requested in the amount of $83,900 to add on overflow modification retrofit to Digester No. 6. The original award was for the Digester Concrete Dome Rehabilitation at the Dos Rios Water Recycling Center in the amount of $998,940.00 and was Board awarded on November 13, 2018.</td>
</tr>
</tbody>
</table>

*Indicates vendor is an SMWB, unless otherwise noted vendor is non minority.*
Awards 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>B. VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. AT&amp;T</td>
<td>AT&amp;T Communications Service</td>
<td>All</td>
<td>$78,000.00</td>
<td>This is a current Sole Source contract and additional time and funds are being requested. This contract is utilized to provide for the Telephone System and Network connectivity. This item was previously Board awarded on 07/07/2015 for an amount of $539,967.00 for the original 36 month Base Period (July 7, 2015 - November 1, 2018) actual service did not start until November 2, 2015. On July 10, 2018 a new contract was awarded by the Board to replace this current agreement, however implementation is not complete. Due to a delay with AT&amp;T switching the services from the current contract to the new contract more time is needed to complete the implementation and installation. This Board item seeks to increase the length of this contract an additional six months (11/2/18 - 4/1/19) with one option to extend for a six month period if there are further delays. Request to add dollars of six month period by $78,000.00.</td>
</tr>
</tbody>
</table>

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

Board Date: March 12, 2019
REQUEST FOR PROPOSAL
FOR
DIGESTER CONCRETE TANK DOME REHABILITATION AT DOS RIOS WRC
SAWS PROPOSAL # 18-18115

SUMMARY AND RECOMMENDATION:
The attached resolution awards a contract to DN Tanks, Inc. Incorporated, a Non-Local/Non-SMWB firm, in the amount of $998,940.00 in connection with the digester tank dome rehabilitation at the SAWS’s Dos Rios Water Recycling Center for Digester #6.

- On Thursday, January 4, 2018, the dome on Digester #6 at the Dos Rios Water Recycling Center was separated from the side wall. The suspected cause was an obstruction of the overflow pipe resulting in a buildup of sludge in the Digester. The resulting pressure caused the dome to be lifted off of the wall.

- The Dos Rios Water Recycling Center has 9 digesters with a capacity of 2.14 million gallons per digester. The digesters are 110-feet in diameter and have 32-feet side walls. Texas Commission of Environmental Quality regulations require that the sludge remain in the digesters for a minimum of 15 days, however it is common practice to have a sludge detention time of greater than 20 days to allow for any variation in daily sludge loading. Currently, the digester detention time is approximately 22 days with Digester #6 out of service.

- Rehabilitation of Digester #6 will restore the plant digester capacity which will improve gas production and volatile solids reduction with the increased detention time. It will allow greater redundancy for maintenance and cleaning of the other digesters.

- Because the large digester dome cannot be restored with in-house maintenance staff due its size, and the specialized nature of this type of digester rehabilitation, this contract outsources the work to provide a turn-key repair to return Digester #6 to service.

- The Request for Proposals (RFP) process was used to select the vendor for this contract.

- DN Tanks, Inc., INC was selected for this contract.

Staff recommends that the Board approve this resolution.

SUPPLEMENTARY COMMENTS:
Staff recommends that the contract be awarded to DN TANKS, INC. Non-Local/Non-SMWB firm, as the bidder who will provide the services at the best value for the System based on the selection criteria set forth below. Price and other factors have been considered. In determining the “best value”, the Evaluation Criteria listed below have been considered and weighted as shown.

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

B) Weighted Evaluation Criteria: The following weighted criteria were considered to determine which proposal offers the “best value” to the System.
<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Pricing Schedule</td>
<td>35</td>
</tr>
<tr>
<td>b. Project Approach</td>
<td>25</td>
</tr>
<tr>
<td>c. Similar Prior Experience and References</td>
<td>15</td>
</tr>
<tr>
<td>d. Resources</td>
<td>15</td>
</tr>
<tr>
<td>e. Small, Minority and Woman Business Program Compliance</td>
<td>10</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>BEST VALUE SCORE</th>
<th>LOCAL/ SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>* DN TANKS, INC.</td>
<td>$998,940.00</td>
<td>347 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
<tr>
<td>2</td>
<td>PRELOAD, LLC</td>
<td>$3,267,900.00</td>
<td>204.25 points</td>
<td>Non-Local Non-SMWB</td>
</tr>
</tbody>
</table>
*Best Value Proposal*

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

<table>
<thead>
<tr>
<th>SMWB ANALYSIS – BOARD AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE - African American</td>
</tr>
<tr>
<td>MBE - Asian</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
</tr>
<tr>
<td>MBE - Other</td>
</tr>
<tr>
<td>WBE - Minority</td>
</tr>
<tr>
<td>WBE - Non-Minority</td>
</tr>
<tr>
<td>SMWB Total</td>
</tr>
</tbody>
</table>

**PERIOD OF AWARD:**

Contract period shall begin on Date of Award and shall end after 120 calendar days.

In determining the best value, staff considered relevant criteria specifically listed in the request for proposal. Staff has determined that *DN TANKS, INC.* will provide services at the best value to *System.*
This is a Sole Source requirement. This is a renewal of an existing contract. This contract will be utilized for the thirty six (36) month renewal with AT&T as sole source for the Telephone System and Network connectivity. AT&T has laid fiber optic cable to our most remote sites such as Dos Rios and ASR and is the only source of fiber to these areas; AT&T is the only carrier providing true east-west fiber redundancy going into the CPS Energy complex where our backup data center is located. The contract is to be effective date of award through June 30, 2018.

<table>
<thead>
<tr>
<th>Bill Name</th>
<th>Service Address</th>
<th>No. Of Months</th>
<th>Monthly Cost</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA WATER SYSTEM</td>
<td>2800 US HWY 281 N</td>
<td>36</td>
<td>$1,384.60</td>
<td>$49,845.60</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>4514 FRANK BRYANT LN</td>
<td>36</td>
<td>$1,384.60</td>
<td>$49,845.60</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>3930 E HOUSTON ST</td>
<td>36</td>
<td>$1,384.60</td>
<td>$49,845.60</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>6111 WURZBACH RD</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>254 SEALE RD</td>
<td>36</td>
<td>$503.10</td>
<td>$18,111.60</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>915 S WW WHITE RD</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>13655 O’CONNOR RD</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>803 CASTROVILLE RD</td>
<td>36</td>
<td>$503.10</td>
<td>$18,111.60</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>9500 ADAMS HILL DR</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>725 S CHERRY</td>
<td>36</td>
<td>$503.10</td>
<td>$18,111.60</td>
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<tr>
<td>SA WATER SYSTEM</td>
<td>1102 MAUERMANN RD</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>3495 VALLEY RD</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>517 MISSION RD</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>4588 HARDY RD</td>
<td>36</td>
<td>$503.10</td>
<td>$18,111.60</td>
</tr>
<tr>
<td>SA WATER SYSTEM</td>
<td>902 E COMMERCE</td>
<td>36</td>
<td>$715.95</td>
<td>$25,774.20</td>
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<td>SA WATER SYSTEM</td>
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<td>$715.95</td>
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<td>SA WATER SYSTEM</td>
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<td>New Service Center 1</td>
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<td>$1,024.00</td>
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</table>

$539,967.00
AGENDA ITEM NO. ______

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 WESTPOINTE WEST OFF-SITE SEWER EXTENSION – PHASE I PROJECT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Thyssen-Laughlin, Inc., a non-local, non-SMWVB contractor, in an amount not to exceed $2,180,362.57 on a Developer Customer construction contract, and authorizes the expenditure of funds in the amount of $1,211,409.44 for associated construction fees to Thyssen-Laughlin, Inc. and reimbursements of $121,140.94 for associated design fees to Meritage Homes of Texas, LLC (the “Developer”) in connection with the Westpointe West Off-Site Sewer Extension – Phase I Project.

- On March 11, 2013, by Resolution No. 13-061, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement to provide water and/or wastewater services to a tract of land known as the Westpointe West, a 1,417-acre tract, being developed by People’s Management Limited, and the oversizing of approximately 4,261 feet of 24-inch sewer main to 36-inch sewer main and 1,716 feet of 10-inch sewer main to 15-inch sewer main, in order to conform with the Wastewater Infrastructure Master Plan.

- The Developer is required to construct a 24-inch gravity sewer main. System staff recommends oversizing approximately 4,261 feet of 24-inch sewer main to a 36-inch sewer main. The Developer is responsible for 44.44 percent of the oversizing of the 24-inch sewer main to a 36-inch sewer main for an estimated $742,814.34 of the project costs. The System is responsible for 55.56 percent of the oversizing of the 24-inch sewer main to a 36-inch sewer main for an estimated amount of $928,685.08.

- The Developer is required to construct a 10-inch gravity sewer main. System staff recommends oversizing approximately 1,716 feet of 10-inch sewer main to a 15-inch sewer main. The Developer is responsible for 44.44 percent of the oversizing of the 10-inch sewer main to a 15-inch sewer main for an estimated $226,138.78 of the project costs. The System is responsible for 55.56 percent of the oversizing of the 10-inch sewer main to a 15-inch sewer main for an estimated amount of $282,724.37.
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 4,261 feet of 36-inch sewer main and 1,716 feet of 15-inch sewer main. The Westpointe West Offsite Sewer Extension – Phase I Project is outside the City of San Antonio limits and is located within the System’s water and wastewater CCN.

Thyssen-Laughlin, Inc. has submitted the lowest responsible bid of $2,180,362.57 for the construction of the project.

The System will pay Thyssen-Laughlin, Inc. 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 and CY 2019 Capital Improvement Program. This project is included in the Wastewater Core Business, Mains New Category, and Sewer Main Oversizing budget line item under job number 18-1658. The applicable sewer main oversize payment will be made monthly to Thyssen-Laughlin, Inc. in accordance with the Utility Service Regulations. The applicable design fees payment will be made to the Developer. The System will pay $1,211,409.44 for construction costs and $121,140.94 for associated design fees for a total cost of $1,332,550.38. The Developer will pay $968,953.13 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 February 6, 2019 at 1:00 P.M. The following bids were submitted:
The bid amount represents a 14.78 percent decrease from the engineer’s estimated construction cost. The contract provides for the completion of this project within 150 calendar days.

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

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thyssen-Laughlin, Inc.*</td>
<td>$2,180,362.57</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Excel Trenching, LLC</td>
<td>$2,231,371.77</td>
<td>Non-Local/Non-SMWVB</td>
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<td>Qro Mex Construction Company, Inc.</td>
<td>$2,441,983.00</td>
<td>Local/MBE-Hispanic</td>
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<td>Cash Construction Company, LTD</td>
<td>$2,446,138.00</td>
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<td>D Guerra Construction, LLC</td>
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<td>Spawglass Contractors, Inc.</td>
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<td>E-Z Bel Construction, LLC</td>
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<td>BRH-Garver Construction, LP</td>
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<td>Whitestone Civil Construction, LLC</td>
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<td>S.J. Louis Construction of Texas, LTD</td>
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<td>DNT Construction, LLC</td>
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<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services, Co., Inc.</td>
<td>$4,156,376.40</td>
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*Lowest Responsible Bidder

Westpointe West Off-Site Sewer Extension – Phase I Project

Thyssen-Laughlin, Inc.

SMWVB Analysis – Board Award

<p>| | |</p>
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<td>MBE – African American</td>
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<tr>
<td>MBE – Asian</td>
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<tr>
<td>MBE – Other</td>
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<td>WBE – Minority</td>
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<td>WBE – Non–Minority</td>
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<td>SMWVB Total</td>
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Award of Construction Contract
Westpointe West Off-Site Sewer Extension – Phase I

Tracey B. Lehmann, P.E.
Director
Development

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 THYSSEN-LAUGHLIN, INC. IN AN AMOUNT NOT TO EXCEED $2,180,362.57 IN CONNECTION WITH THE WESTPOINTE WEST OFF-SITE SEWER EXTENSION – PHASE I PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $1,211,409.44 FOR THE PROPORTIONATE SHARE OF THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $121,140.94 FOR THE PROPORTIONATE SHARE OF THE ENGINEERING DESIGN FEES; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $1,332,550.38 FROM THE PROJECT FUND FOR THE 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 MERITAGE HOMES OF TEXAS, LLC AND THYSSEN-LAUGHLIN, INC., AND PROVIDE PAYMENT IN AN AMOUNT NOT TO EXCEED $1,211,409.44 TO THYSSEN-LAUGHLIN, INC. AND REIMBURSEMENTS OF $121,140.94 TO MERITAGE HOMES OF TEXAS, LLC 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, by Resolution No. 13-061, approved on March 11, 2013, the San Antonio Water System (the “System”) Board of Trustees approved a Utility Service Agreement to provide water and/or wastewater services to a tract of land known as Westpointe West Tract, a 1,417-acre tract, being developed by People’s Management Limited, and the oversize of approximately 4,261 feet of 24-inch sewer main to 36-inch sewer main and 1,716 feet of 10-inch sewer main to 15-inch sewer main, in accordance with the Wastewater Infrastructure Master Plan; and

WHEREAS, Meritage Homes of Texas, LLC (the “Developer”) is required to construct a 24-inch sewer main and a 10-inch sewer main; and

WHEREAS, the System has elected to oversize approximately 4,261 feet of the 24-inch sewer main to a 36-inch sewer main and 1,716 feet of 10-inch sewer main to a 15-inch sewer main; and
WHEREAS, the System has solicited bids for the Westpointe West Off-Site Sewer Extension – Phase I Project (the “project work”); and

WHEREAS, the project work includes the oversize construction of approximately 4,261 feet of 24-inch sewer main to 36-inch sewer main; and

WHEREAS, the project work includes the oversize construction of approximately 1,716 feet of 10-inch sewer main to 15-inch sewer main; and

WHEREAS, Thyssen-Laughlin, Inc., a non-local, non-SMWVB contractor, submitted the bid of $2,180,362.57 for construction of the project, and this bid is determined to be the lowest responsible bid; and

WHEREAS, Meritage Homes of Texas, LLC is responsible for funding their proportionate share of the construction of the project; and

WHEREAS, Meritage Homes of Texas, LLC is responsible for 44.44 percent of the project costs of approximately 4,261 feet of 24-inch sewer main oversized to a 36-inch sewer main; the System is responsible for 55.56 percent of the project costs of approximately 4,261 feet of 24-inch sewer main oversized to a 36-inch sewer main; and

WHEREAS, Meritage Homes of Texas, LLC is responsible for 44.44 percent of the project costs of approximately 1,716 feet of 10-inch sewer main oversized to a 15-inch sewer main; the System is responsible for 55.56 percent of the project costs of approximately 1,716 feet of 10-inch sewer main oversized to a 15-inch sewer main; and

WHEREAS, the System will pay to Thyssen-Laughlin, Inc., monthly, for the System’s proportionate share of the cost to oversize the sewer main in accordance with the Board Regulations; and

WHEREAS, the amount of $1,332,550.38 is available in the Project Fund for the System’s proportionate share of the project work costs and engineering fees related to oversizing the sewer main extension; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Thyssen-Laughlin, Inc. in an amount not to exceed $2,180,362.57 in connection with the Westpointe West Off-Site Sewer Extension – Phase I Project, (ii) to authorize the expenditure of funds in the amount of $1,211,409.44 for the project work, (iii) to authorize the expenditure of funds in the amount of $121,140.94 for design fees, (iv) to make available a total amount not to exceed $1,332,550.38 from the Project Fund for the System’s proportionate share of the project work and engineering fees related to oversizing the proposed off-site sewer main, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Meritage Homes of Texas, LLC and Thyssen-Laughlin, Inc. for the project work, and to provide payment in an amount not to exceed $1,211,409.44 to Thyssen-Laughlin, Inc. and reimbursements in an amount not to exceed $121,140.94 to Meritage Homes of Texas, LLC for the System’s cost to oversize the proposed off-site sewer main; 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 $2,180,362.57 is hereby awarded to Thyssen-Laughlin, Inc., who is determined to be the lowest responsible bidder, in connection with the Westpointe West Off-Site Sewer Extension – Phase I Project.

2. That the expenditure of funds in the amount of $1,211,409.44 for the System's proportionate share of the project work is hereby approved.

3. That the expenditure of funds in the amount of $121,140.94 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 $1,332,550.38 consisting of the System’s proportionate share of the project work costs and engineering fees related to the 36-inch oversized (24-inch required) sewer main and 15-inch oversized (10-inch required) sewer main is hereby made available and is to be expended from the Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Meritage Homes of Texas, LLC and Thyssen-Laughlin, Inc., and to provide payment in an amount not to exceed $1,211,409.44 for the cost to oversize and construct the sewer main to Thyssen-Laughlin, Inc. and reimbursements in an amount not to exceed $121,140.94 to Meritage Homes of Texas, LLC in accordance with the Utility Service Regulations in connection with the Westpointe West Off-Site Sewer Extension – Phase I 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 12th day of March, 2019.

__________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________

Patricia E. Merritt, Assistant Secretary
AGENDA ITEM NO. 8

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 PALO ALTO TRAILS II 16-INCH OVERSIZE APPROACH MAIN (8-INCH REQUIRED) PROJECT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to R.L. Jones, LP, a local, SBE contractor, in an amount not to exceed $447,475.00 on a Developer Customer construction contract, and authorizes the expenditure of funds in the amount of $161,523.11 for associated construction fees to R.L. Jones, LP, and reimbursements of $16,152.31 for associated design fees to Century Land Holdings II, LLC in connection with the Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) Project.

• On June 5, 2018, by Resolution No. 18-136, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement to provide water and/or wastewater services to a tract of land known as the Palo Alto Trails II Tract, a 40.22-acre tract, being developed by Century Land Holdings II, LLC (the “Developer”), and the oversizing of approximately 3,055 feet of on-site 8-inch water main to 16-inch water main from the existing 12-inch water main along State Highway 16 South, and the construction of approximately 1,361 feet of 12-inch water main, in order to conform with the Water Infrastructure Master Plan.

• The Developer is required to construct an 8-inch water main. System staff recommends oversizing approximately 3,055 feet of 8-inch water main to a 16-inch water main. The Developer is responsible for 53.16 percent of the oversizing of the 8-inch water main to a 16-inch water main for an estimated $183,317.00 of the project costs. The System is responsible for 46.84 percent of the oversizing of the 8-inch water main to a 16-inch water main for an estimated amount of $161,523.11.

• The Developer will construct approximately 1,361 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 $102,634.89 of the project costs. The System is responsible for 0 percent of the construction of the 12-inch water main.
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 3,055 feet of 16-inch water main and the construction of approximately 1,361 feet of 12-inch water main. The Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) Project is inside the City of San Antonio limits and is located within the System’s water and wastewater CCN.

R.L. Jones, LP has submitted the lowest responsible bid of $447,475.00 for the construction of the project.

The System will pay monthly to R.L. Jones, LP 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 2019 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 19-1004. The applicable water main oversize payment will be made to R.L. Jones, LP in accordance with the Utility Service Regulations. The applicable design fees payment will be made to the Developer. The System will pay $161,523.11 for construction costs and $16,152.31 for associated design fees for a total cost of $177,675.42. The Developer will pay $285,951.89 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 February 14, 2019 at 10:00 A.M. The following bids were submitted:

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<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.L. Jones, LP*</td>
<td>$447,475.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Yantis Company</td>
<td>$454,708.50</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Wauters Engineering LLC</td>
<td>$497,155.89</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>
The bid amount represents a 15.59 percent decrease from the engineer’s estimated construction cost. The contract provides for the completion of this project within 60 calendar days.

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

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<tr>
<th>Project Description</th>
<th>Bid Amount</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required)</td>
<td>$504,694.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Qro Mex Constructions Inc.</td>
<td>$524,890.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$530,111.59</td>
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<tr>
<td>M5 Utilities LLC</td>
<td>$544,764.00</td>
<td>Local/Non-SMWVB</td>
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<tr>
<td>E-Z Bell Construction LLC</td>
<td>$632,324.28</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>D Guerra Construction LLC</td>
<td>$633,449.50</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

---

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

Approvals:

1. Project Area Map
2. Project Site Map

Attachments:
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO R.L. JONES, LP IN AN AMOUNT NOT TO EXCEED $447,475.00 IN CONNECTION WITH THE PALO ALTO TRAILS II 16-INCH OVERSIZE APPROACH MAIN (8-INCH REQUIRED) PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $161,523.11 FOR THE PROPORTIONATE SHARE OF THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $16,152.31 FOR THE PROPORTIONATE SHARE OF THE ENGINEERING DESIGN FEES; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $177,675.42 FROM THE PROJECT FUND FOR THE 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 CENTURY LAND HOLDINGS II, LLC AND R.L. JONES, LP, AND PROVIDE PAYMENT IN AN AMOUNT NOT TO EXCEED $161,523.11 TO R.L. JONES, LP AND REIMBURSEMENTS OF $16,152.31 TO CENTURY LAND HOLDINGS II, LLC FOR THE PROPORTIONATE SHARE OF THE COST 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, by Resolution No. 18-136, approved on June 5, 2018, the San Antonio Water System (the “System”) Board of Trustees approved a Utility Service Agreement to provide water and/or wastewater services to a tract of land known as Palo Alto Trails II Tract, a 40.22-acre tract, being developed by Century Land Holdings II, LLC (the “Developer”), and the oversizing of approximately 3,055 feet of on-site 8-inch water main to 16-inch water main from the existing 12-inch water main along State Highway 16 South and the construction of approximately 1,361 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 8-inch water main; and

WHEREAS, the System has elected to oversize approximately 3,055 feet of the 8-inch water main to a 16-inch water main; and
WHEREAS, the System has elected to include the construct of approximately 1,361 feet of a 12-inch water main; and

WHEREAS, the System has solicited bids for the Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) Project (the “project work”); and

WHEREAS, the project work includes the oversize construction of approximately 3,055 feet of 8-inch water main to 16-inch water main; and

WHEREAS, the project work includes the construction of approximately 1,361 feet 12-inch water main; and

WHEREAS, R.L. Jones, LP, a local, SBE contractor, submitted the bid of $447,475.00 for construction of the project, and this bid is determined to be the lowest responsible bid; and

WHEREAS, Century Land Holdings II, LLC is responsible for funding their proportionate share of the construction of the project; and

WHEREAS, Century Land Holdings II, LLC is responsible for 53.16 percent of the project costs of approximately 3,055 feet of 8-inch water main oversized to a 16-inch water main; the System is responsible for 46.84 percent of the project costs of approximately 3,055 feet of 8-inch water main oversized to a 16-inch water main; and

WHEREAS, Century Land Holdings II, LLC is responsible for 100 percent of the project costs of approximately 1,361 feet of 12-inch water main; the System is responsible for 0 percent of the project costs of approximately 1,361 feet of 12-inch water main; and

WHEREAS, the System will pay to R.L. Jones, LP, 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 $177,675.42 is available in the Project Fund for the System’s proportionate share of the project work costs and engineering fees related to oversizing the water main extension; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to R.L. Jones, LP in an amount not to exceed $447,475.00 in connection with the Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) Project, (ii) to authorize the expenditure of funds in the amount of $161,523.11 for the project work, (iii) to authorize the expenditure of funds in the amount of $16,152.31 for design fees, (iv) to make available a total amount not to exceed $177,675.42 from the Project Fund 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 Century Land Holdings II, LLC and R.L. Jones, LP for the project work, and to provide payment in an amount not to exceed $161,523.11 to R.L.
Jones, LP and reimbursements in an amount not to exceed $16,152.31 to Century Land Holdings II, LLC for the System’s cost to oversize the proposed water main; 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 $447,475.00 is hereby awarded to R.L. Jones, LP, who is determined to be the lowest responsible bidder, in connection with the Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) Project.

2. That the expenditure of funds in the amount of $161,523.11 for the System's proportionate share of the project work is hereby approved.

3. That the expenditure of funds in the amount of $16,152.31 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 $177,675.42 consisting of the System’s proportionate share of the project work costs and engineering fees related to the 16-inch oversized (8-inch required) water main is hereby made available and is to be expended from the Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Century Land Holdings II, LLC and R.L. Jones, LP, and to provide payment in an amount not to exceed $161,523.11 for the cost to oversize and construct the water main to R.L. Jones, LP and reimbursements in an amount not to exceed $16,152.31 to Century Land Holdings II, LLC in accordance with the Utility Service Regulations in connection with the Palo Alto Trails II 16-Inch Oversize Approach Main (8-Inch Required) 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 12th day of March, 2019.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: APPROVAL OF ADDITIONAL EXPENDITURES IN CONNECTION WITH THE E-19: SEGUIN ROAD TO NACOGDOCHES ROAD, SEGMENT 1 PROJECT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution 17-043 by authorizing additional expenditures to the construction contract with Southland/Renda Joint Venture, a non-local, non-SMWVB firm, in an amount not to exceed $146,742.05 in connection with the E-19: Seguin Road to Nacogdoches Road, Segment 1 Project (the “Project”).

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

- On February 7, 2017, the System’s Board of Trustees, by Resolution No. 17-043, authorized a construction contract with Southland/Renda Joint Venture, in an amount not to exceed $34,919,601.52 in connection with the project work.

- This project consists of the replacement and upsizing of approximately three miles of 48-inch with 78-inch gravity sewer mains along Salado Creek, north from Seguin Road, just south of Binz-Engleman Road, along Salado Creek to a point just north of Rittiman Road.

- The System requested the contractor to install a 100-foot section of gravity sewer main by hand tunneling method instead of the open cut trenching method. The change to tunnel method provides a higher level of protection for the existing 48-inch sewer line which must remain in service and undisturbed while the new 78-inch line is laid underneath it inside a 90-inch steel casing. Tunneling this short segment minimizes the risk of damage to the existing line and causing a sanitary sewer overflow.

- Additional expenditures in the amount of $146,742.05 are needed for the additional work.

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

The Project Fund will finance this additional expenditure included in the CY 2019 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. Funds for this additional project work will be transferred from the 2019 Owner Controlled Construction Changes line item. The total amount requested for additional project work is $146,742.05. The job number is 15-4506.

The revised authorizations for this project are as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
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</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 17-043)</td>
</tr>
<tr>
<td>Previous Change Orders</td>
</tr>
<tr>
<td>Proposed Additional Project Work</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

The revised contract amount for the System’s work as a result of all change orders is $34,919,601.52, which represents a decrease of 0.4 percent from the original contract amount.

The original completion date for this contract was March 20, 2019. As a result of previous change orders and this additional project work, which adds an additional 25 days, the contract has been extended by a total of 79 days and the new completion date is June 7, 2019.

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING ADDITIONAL EXPENDITURES TO THE EXISTING CONSTRUCTION CONTRACT WITH SOUTHLAND/REnda JOINT VENTURE IN AN AMOUNT NOT TO EXCEED $146,742.05 IN CONNECTION WITH THE E-19: SEGUIN ROAD TO NACOGDOCHES ROAD, SEGMENT 1 PROJECT; AMENDING RESOLUTION NO. 17-043 BY APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $146,742.05 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT FUND FOR THE ADDITIONAL PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CHANGE ORDER, AND TO PAY SOUTHLAND/REnda JOIN TVENTURE AN AMOUNT NOT TO EXCEED $146,742.05 FOR ADDITIONAL PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on February 7, 2017, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution No. 17-043, authorized a construction contract with Southland/Renda Joint Venture in the amount of $34,919,601.52 in connection with the project work; and

WHEREAS, additional expenditures to the existing construction contract in an amount not to exceed $146,742.05 is required for the additional project work; and

WHEREAS, the required amount of $146,742.05 is available from the Project Fund for the additional project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve additional expenditures to the existing construction contract with Southland/Renda Joint Venture in an amount not to exceed $146,742.05 in connection with the E-19: Seguin Road to Nacogdoches Road, Segment 1 Project, (ii) to amend Resolution No. 17-043 by approving an amount not to exceed $146,742.05 be made available and expended from the Project Fund for the additional project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a change order, and to pay Southland/Renda Joint Venture an amount not to exceed $146,742.05 for additional project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD
OF TRUSTEEs:

1. That additional expenditures to the existing construction contract with Southland/Renda Joint Venture in an amount not to exceed $146,742.05 in connection with the E-19: Seguin Road to Nacogdoches Road, Segment 1 Project is hereby approved.

2. That Resolution No. 17-043 is hereby amended by approving an amount not to exceed $146,742.05 be made available and expended from the Project Fund for the additional project work.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a change order, and to pay Southland/Renda Joint Venture an amount not to exceed $146,742.05 for the additional 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 12th day of March, 2019.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________________
Patricia E. Merritt, Assistant Secretary
AGENDA ITEM NO. _____

TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: APPROVAL OF CHANGE ORDER NO. 2 IN CONNECTION WITH THE MICRON TO ANDERSON PUMP STATION PHASE 2 – 48-INCH WATER MAIN PROJECT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 2 in an amount not to exceed $342,500.00 to the construction contract with S.J. Louis Construction of Texas, Ltd., a non-local, non-SMWVB firm, in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project.

- On August 7, 2018, the Board, by Resolution 18-170, authorized a construction contract with S.J. Louis Construction of Texas, Ltd. (the “Contractor”) in an amount not to exceed $2,179,056.00 for the project work in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project.

- The project involves the installation of the final phase of a 48-inch potable water main needed to connect the Anderson Pump Station to the Micron Pump Station.

- On January 10, 2018, the Incidental Take Permit applicable to the Micron to Anderson Pump Station and WRIP projects was issued by the US Fish and Wildlife Department. In order to meet permit requirements at the existing pump station, the topography of the site must be modified to direct drainage away from the preserved habitat to the front of the property.

- Change Order No. 2 in an amount not to exceed $342,500.00 adds this work to the Micron to Anderson Phase 2 – 48-inch Water Main Project in order to expedite the site work and meet permit requirements.

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 Water Delivery Core Business budget line item. Funds for
Approval of Change Order No. 2
Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project

Change Order No. 2 will be transferred from the 2019 Owner Controlled Construction Changes line item. The total amount requested for this change order is $342,500.00. The Job No. is 10-7002.

<table>
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<tr>
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<th>Amount Authorized</th>
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<tr>
<td>Change Order No. 1</td>
<td>0.00</td>
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<tr>
<td>Proposed Change Order No. 2</td>
<td>342,500.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$2,521,556.00</td>
</tr>
</tbody>
</table>

The revised construction contract amount for the System’s work as a result of all change orders is $2,521,556.00, which represents an increase of 15.7 percent from the original contract amount.

The original completion date for this contract was April 8, 2019. As a result of the previous change orders and this change order, which adds a total of 65 days, the contract has been extended and the completion date is June 12, 2019.

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
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

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

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 2 IN AN AMOUNT NOT TO EXCEED $342,500.00 FOR THE ADDITIONAL PROJECT WORK IN CONNECTION WITH MICRON TO ANDERSON PUMP STATION PHASE 2 – 48-INCH WATER MAIN PROJECT; AMENDING RESOLUTION NO. 18-170 BY APPROVING AN ADDITIONAL AMOUNT NO TO EXCEED $342,500.00 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 S.J. LOUIS CONSTRUCTION OF TEXAS, LTD. AN AMOUNT NOT TO EXCEED $342,500.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on August 7, 2018, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution 18-170, authorized a construction contract with S.J. Louis Construction of Texas, Ltd. (the “Contractor”) in an amount not to exceed $2,179,056.00 for the project work in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project; and

WHEREAS, Change Order No. 2 adds the necessary site topography modifications to direct drainage away from the preserved habitat to meet the requirements of the Incidental Take Permit; and

WHEREAS, negotiations between the System and the Contractor resulted in a cost of $342,500.00 for Change Order No. 2 for the additional project work; and

WHEREAS, additional System funds in an amount not to exceed $342,500.00 are required in connection with the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 2 in an amount not to exceed $342,500.00 payable to S.J. Louis Construction of Texas, Ltd. in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project, (ii) to amend Resolution No. 18-170 by approving the expenditure of funds in an amount not to exceed $342,500.00 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 2, and to pay an additional amount not to exceed $342,500.00 to S.J. Louis Construction of Texas, Ltd. for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Change Order No. 2 in an amount not to exceed $342,500.00 to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with the Micron to Anderson Pump Station Phase 2 – 48-inch Water Main Project is hereby approved.

2. That Resolution No. 18-170 is hereby amended by approving an additional amount not to exceed $342,500.00 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 S.J. Louis Construction of Texas, Ltd. an additional amount not to exceed $342,500.00 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 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 12th day of March, 2019.

______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees
FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: REQUESTING THE SAN ANTONIO CITY COUNCIL TO DECLARE THE SAN ANTONIO WATER SYSTEM’S W-6: HIGHWAY 90 TO W MILITARY DRIVE SEWER MAIN PROJECT A PUBLIC NECESSITY

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached Resolution requests the San Antonio City Council to declare the San Antonio Water System’s (SAWS) W-6: Highway 90 to W Military Drive Sewer Main Project (the “Project”) a public necessity to obtain for public use, the permanent sewer easements, temporary construction easements and fee simple acquisitions that are required for the Project’s construction and operation, and authorizes the General Counsel and/or designated special counsel to file eminent domain proceedings, if necessary.

- The project that is the subject of the attached resolution will, if approved, authorize work required by the Consent Decree between SAWS, the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This Project will upsize approximately five miles of existing 54-inch gravity sewer main with larger diameter sewer main in the Western sewershed from a point near the intersection of W Military Drive and Old Pearsall Road extending northwest along W Military Drive to the intersection of W Military Drive and US Highway 90 where it turns and proceeds east along US Highway 90 to a point near the intersection of US Highway 90 and South Callaghan Road. The estimated construction cost for this project is $150,000,000.00.

- The Project will require the acquisition of real property being permanent sewer easements, temporary construction easements and fee simple acquisitions (collectively, the “Property”).

- SAWS intends to use every effort available to obtain the Property through good faith negotiations, but may require eminent domain if the negotiations fail.
• The general location of the Project is set out in Attachment I to the Resolution and the description of the route is set out in Attachment II to the Resolution, attached hereto and incorporated herein for all purposes.

• The requested Ordinance will be presented to the San Antonio City Council as soon as possible.

Staff recommends that the Board approve this Resolution.

FINANCIAL IMPACT:

The Project Fund will incur the acquisition costs and possible legal fees associated with the acquisition of the land rights necessary for this project. Funding for these land rights are found in the 2019 and 2020 Capital Improvement Program, Wastewater Core Business, Main Replacement - Sewer Category.

Bruce A. Haby
Manager
Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

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


WHEREAS, the Project calls for design and installation of approximately five miles of a new sewer main located in the southwest quadrant of Bexar County; and

WHEREAS, the System has determined that acquisition of the Property is necessary for the Project, the general location of the Project being more particularly set out in Attachment I to this Resolution, and route description of the Project being depicted on Attachment II to this Resolution, both attached hereto and incorporated herein for all purposes; and
WHEREAS, the System intends to use every effort available to obtain the required Property through good faith negotiations, but may require eminent domain if the negotiations fail; and

WHEREAS, the System finds that the acquisition of such Property for the Project is necessary for the public health, safety, welfare, and best interests of the citizens of the City and the surrounding region; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) affirm and declare that the Project is for a public use and the acquisition of the Property is for public use and is a public necessity for the completion of the Project, (ii) direct the System staff to negotiate the acquisition of the Property, (iii) authorize and direct the institution and prosecution to conclusion of all necessary proceedings to condemn such Property, in the event that the System’s staff is unable to acquire one or more parcels of the Property by negotiation, (iv) request that the City Council adopt an ordinance to (a) reaffirm and declare that the Project is for a public use and the acquisition of the Property is for public use and is a public necessity for the completion of the Project, (b) authorize the System to take all appropriate action to acquire the Property by negotiation and/or condemnation, (c) declare that the conveyance of such Property shall be to the City for the use and benefit of the System, and (d) authorize the System’s General Counsel and/or designated special counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary, and (v) provide and approve funding for the acquisition of the Property; now, therefore:

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

1. That the Project is hereby declared to be a necessary public project and a public necessity is hereby declared for the acquisition of the Property for public use by negotiation and/or condemnation, if necessary, for the Project.

2. That a public necessity hereby exists to acquire the Property over, under and across certain privately owned real property, by negotiation and/or condemnation, if necessary, for the expansion of the public sanitary sewer system as part of the Project.

3. That the System’s staff is hereby directed to negotiate with the owner(s) of the respective parcels for the acquisition of the Property, to execute easements and/or sales agreements or other documents acquiring the Property from the owners of the Property and to finalize such acquisitions on behalf of the City, for the use and benefit of the System.

4. That in the event the System’s staff is unable to acquire one or more parcels of Property by negotiation by reason of its inability to agree with the owners thereof as to the value of the Property, or is unable to acquire the Property for any other reason, the System’s General Counsel and/or designated Special Counsel, are hereby authorized and directed to institute and prosecute to conclusion all necessary proceedings to condemn such Property.
5. That the City Council of the City is hereby requested to (i) adopt an ordinance to reaffirm and declare that the Project is for a necessary public use and the acquisition of the Property is for a public use and is a public necessity for the completion of the Project, (ii) authorize the System to take all appropriate action to acquire the Property by negotiation and/or condemnation, (iii) declare that the conveyance of such Property shall be to the City for the use, benefit and control of the System, and (iv) authorize the System’s General Counsel and/or designated special counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary.

6. That funding for the acquisition of the Property is found in the 2019 and 2020 Capital Improvement Program, Wastewater Core Business, Main Replacement - Sewer Category.

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

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

9. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 12th day of March, 2019.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________________
Patricia E. Merritt, Assistant Secretary

Attachments:
I. Aerial Map of Project
II. Description of Project Alignment
W-6: HWY 90 TO W MILITARY DRIVE SEWER MAIN PROJECT

AERIAL DEPICTION ATTACHMENT I
Route Description

Starting from a point near the intersection of W Military Drive and Old Pearsall Road extending northwest along W Military Drive to the intersection of W Military Drive and US Highway 90 where it turns and proceeds east along US Highway 90 to a point near the intersection of US Highway 90 and South Callaghan Road.

The project attempts to minimize property acquisitions where possible and as a result the private parcels needed are in two groups separated by a stretch of the alignment where no private parcels are being sought. Specifically, these two groups are located as follows: (i) from a point near the intersection of W Military Drive and Old Pearsall Road extending northwest along W Military Drive to a point near the intersection of W Military Drive and Five Palms Drive, and (ii) from a point approximately 1,250 feet south of the intersection of W Military Drive and US Hwy 90 and proceeding north along W Military Drive to the intersection of W Military Drive and US Hwy 90 and then turning and proceeding east along US Hwy 90 to a point near the intersection of US Highway 90 and South Callaghan Road.

Project Located In: NCB 13975, 15655, 15318, 15323, 15302, 15299, 15286, 15285, 15602, 15589, 15600, 16528, 16531, 13951, 13962
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: REQUESTING THE SAN ANTONIO CITY COUNCIL TO DECLARE THE SAN ANTONIO WATER SYSTEM’S W-1 LEON CREEK: HIGHWAY 151 TO HIGHWAY 90 - LOWER SEGMENT PROJECT A PUBLIC NECESSITY  

Board Action Date: March 12, 2019  

SUMMARY AND RECOMMENDATION:  

The attached Resolution requests the San Antonio City Council to declare the San Antonio Water System’s (SAWS) W-1 Leon Creek: Highway 151 to Highway 90 - Lower Segment Project (the “Project”) a public necessity to obtain for public use, the permanent sewer easements and temporary construction easements that are required for the Project’s construction and operation, and authorizes the General Counsel and/or designated special counsel to file eminent domain proceedings, if necessary.

- The project that is the subject of the attached resolution will, if approved, authorize work required by the Consent Decree between SAWS, the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This project will replace and upsize approximately two miles of 42-inch and 54-inch gravity sewer main with 72-inch and 78-inch gravity sewer main along Leon Creek in the Western sewershed. This project will replace aging infrastructure that conveys more than 70 percent of the sewershed’s total flow. The estimated construction cost for this project is $15,000,000.00.

- The Project will require the acquisition of real property being permanent sewer easements and temporary construction easements (collectively, the “Easements”).

- SAWS intends to use every effort available to obtain the required Easements through good faith negotiations, but may require eminent domain if the negotiations fail.

- The general location of the Project is set out in Attachment I to the Resolution and the description of the route is set out in Attachment II to the Resolution, attached hereto and incorporated herein for all purposes.
• The requested ordinance will be presented to the San Antonio City Council as soon as possible.

Staff recommends that the Board approve this Resolution.

**FINANCIAL IMPACT:**

The Project Fund will incur the acquisition costs and possible legal fees associated with the acquisition of the land rights necessary for this project. Funding for these land rights are found in the 2016 and 2019 Capital Improvement Program, Wastewater Core Business, Main Replacement - Sewer Category.

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Bruce A. Haby  
Manager  
Corporate Real Estate

Nancy Belinsky  
Vice President and General Counsel

---

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES DECLARING A PUBLIC NECESSITY FOR PUBLIC USE, THE ACQUISITION OF CERTAIN PRIVATELY OWNED REAL PROPERTY IN THE CITY OF SAN ANTONIO (THE “CITY”) BEING PERMANENT SEWER EASEMENTS AND TEMPORARY CONSTRUCTION EASEMENTS (COLLECTIVELY, THE “EASEMENTS”), FOR THE W-1 LEON CREEK: HIGHWAY 151 TO HIGHWAY 90 - LOWER SEGMENT PROJECT (THE “PROJECT”) WHICH WILL REPLACE AND UPSIZE APPROXIMATELY TWO MILES OF SEWER MAIN ALONG LEON CREEK FROM US HIGHWAY 90 TO AN EXISTING SEWER PIPELINE APPROXIMATELY 2,500 FEET EAST OF PINN ROAD, IN THE SOUTHWEST QUADRANT OF BEXAR COUNTY, TEXAS, WHICH EASEMENTS SHALL BE ACQUIRED BY NEGOTIATION AND/OR CONDEMNATION, IF NECESSARY, FOR THE PUBLIC USE OF THE EXPANSION AND OPERATION OF THE SYSTEM THROUGH THE CONSTRUCTION OF THE PROJECT; REQUESTING THAT THE CITY COUNCIL OF THE CITY OF SAN ANTONIO (THE “CITY COUNCIL”) ADOPT AN ORDINANCE REAFFIRMING AND DECLARING THAT THE PROJECT IS FOR A PUBLIC USE AND A PUBLIC NECESSITY EXISTS FOR THE ACQUISITION OF THE EASEMENTS AND AUTHORIZING THE SYSTEM TO TAKE ALL APPROPRIATE ACTION TO ACQUIRE THE EASEMENTS BY NEGOTIATION AND/OR CONDEMNATION; 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 Project calls for design and installation of approximately two miles of a new sewer main located in the southwest quadrant of Bexar County; and

WHEREAS, the System has determined that acquisition of the Easements is necessary for the Project, the general location of the Project being more particularly set out in Attachment I to this Resolution, and route description of the Project being depicted on Attachment II to this Resolution, both attached hereto and incorporated herein for all purposes; and

WHEREAS, the System intends to use every effort available to obtain the required
Easements through good faith negotiations, but may require eminent domain if the negotiations fail; and

WHEREAS, the System finds that the acquisition of such Easements for the Project is necessary for the public health, safety, welfare, and best interests of the citizens of the City and the surrounding region; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) affirm and declare that the Project is for a public use and the acquisition of the Easements is for public use and are a public necessity for the completion of the Project, (ii) direct the System staff to negotiate the acquisition of the Easements, (iii) authorize and direct the institution and prosecution to conclusion of all necessary proceedings to condemn such Easements, in the event that the System’s staff is unable to acquire one or more Easements by negotiation, (iv) request that the City Council adopt an ordinance to (a) reaffirm and declare that the Project is for a public use and the acquisition of the Easements is for public use and is a public necessity for the completion of the Project, (b) authorize the System to take all appropriate action to acquire the Easements by negotiation and/or condemnation, (c) declare that the conveyance of such Easements shall be to the City for the use and benefit of the System, and (d) authorize the System’s General Counsel and/or designated special counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary, and (v) provide and approve funding for the acquisition of the Easements; now, therefore:

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

1. That the Project is hereby declared to be a necessary public project and a public necessity is hereby declared for the acquisition of the Easements for public use by negotiation and/or condemnation, if necessary, for the Project.

2. That a public necessity hereby exists to acquire the Easements over, under and across certain privately owned real property, by negotiation and/or condemnation, if necessary, for the expansion of the public sanitary sewer system as part of the Project.

3. That the System’s staff is hereby directed to negotiate with the owner(s) of the respective parcels for the acquisition of the Easements, to execute easements and/or sales agreements or other documents acquiring the Easements from the owners of the Easements and to finalize such acquisitions on behalf of the City, for the use and benefit of the System.

4. That in the event the System’s staff is unable to acquire one or more Easements by negotiation by reason of its inability to agree with the owners thereof as to the value of the Easements, or is unable to acquire the Easements for any other reason, the System’s General Counsel and/or designated special counsel, are hereby authorized and directed to institute and prosecute to conclusion all necessary proceedings to condemn such Easements.
5. That the City Council of the City is hereby requested to (i) adopt an ordinance to reaffirm and declare that the Project is for a necessary public use and the acquisition of the Easements is for a public use and is a public necessity for the completion of the Project, (ii) authorize the System to take all appropriate action to acquire the Easements by negotiation and/or condemnation, (iii) declare that the conveyance of such Easements shall be to the City for the use, benefit and control of the System, and (iv) authorize the System’s General Counsel and/or designated special counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary.

6. That funding for the acquisition of the Easements can be found in the 2016 and 2019 Capital Improvement Program, Wastewater Core Business, Main Replacement - Sewer Category.

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

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

9. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 12th day of March, 2019.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary

Attachments:
I. Aerial Map of Project
II. Description of Project Alignment
ATTACHMENT II

Route Description

This project will replace and upsize approximately two miles of gravity sewer main along Leon Creek. The sewer mains are in the Western sewershed and extend along Leon Creek from U.S. Highway 90 to an existing 66-inch sewer pipeline approximately 2,500 feet east of Pinn Road.

Project Located In: NCB 13942, 13951, 15332
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE 2019 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 3

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in an amount not to exceed $482,738.00 to Bartek Construction Co., a local, SBE contractor, in connection with the 2019 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 3.

- The San Antonio Water System (SAWS) is required under the Consent Decree to inspect all sanitary sewer manholes within a 10-year period. Inherent with such a program, there are occasions when numerous manholes require remediation as a measure to reduce inflow in order to resolve capacity constraints for the purpose of eliminating the future occurrence of sanitary sewer overflows.

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

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

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

- Bartek Construction Co. has submitted the low bid of $482,738.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds for these contract services to be provided during FY 2019 will be included in the FY 2019 Annual Operating Budget. The System Fund will finance the amount of $482,738.00 for contract
services (Company: 1000; Accounting Unit: 5044500; Account: 511220). The SAWS job number for the replacement of any manholes is 19-1403 (CIP). The SAWS job number for all other work is 19-0105 (O&M).

Funds for these contract services to be provided during FY 2020 will be paid from System funds budgeted in FY 2020, pursuant to and contingent upon Board approval of the FY 2020 budget with a line item for such expenditures. (Company: 1000; Accounting Unit: 5044500; Account: 511220).

**SUPPLEMENTARY COMMENTS:**

SAWS Sewer System Improvements Department staff prepared the specifications for this project. The engineer’s estimated construction cost is $500,000.00.

The bid opening was held on February 6, 2019 at 10:00 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>Bartek Construction Co.*</td>
<td>$482,738.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Facilities Rehabilitation, Inc.</td>
<td>$495,465.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>DLC General Construction Services, Inc.</td>
<td>$499,228.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$500,000.00</td>
<td></td>
</tr>
<tr>
<td>T Construction L.L.C.</td>
<td>$598,987.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services Co., Inc.</td>
<td>$719,995.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 3.5 percent decrease from the estimated construction cost.

The construction contract will remain in full force for a period of 548 calendar days from the Notice to Proceed date or until funds are exhausted from the contract.

Additionally, the overall SMWVB analysis is shown in the following table:
### 2019 Annual Sanitary Sewer Manhole Adjustments, Rehabilitation and Replacement Construction Contract, Package 3

**BARTEK CONSTRUCTION CO.**

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>75.14%</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>
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<tr>
<td>WBE - Minority</td>
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<tr>
<td>WBE - Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>75.14%</td>
</tr>
</tbody>
</table>

Annette Duron  
Interim-Director  
Operations Support

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

Robert R. Puente  
President/Chief Executive Officer

APPROVED:
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO BARTEK CONSTRUCTION CO. IN AN AMOUNT NOT TO EXCEED $482,738.00 IN CONNECTION WITH THE 2019 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 3; APPROVING AND MAKING AVAILABLE THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $482,738.00 FROM THE SYSTEM FUND FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEAR’S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH BARTEK CONSTRUCTION CO., AND TO PAY BARTEK CONSTRUCTION CO. AN AMOUNT NOT TO EXCEED $482,738.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, San Antonio Water System (the “System”) is required under the Consent Decree to inspect all sanitary sewer manholes within a 10-year period. Inherent with such a program, there are occasions when numerous manholes require remediation as a measure to reduce inflow in order to resolve capacity constraints for the purpose of eliminating the future occurrence of sanitary sewer overflows; and

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

WHEREAS, this contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary remediation measures which include manhole adjustments, rehabilitation, and replacement; and

WHEREAS, the System solicited bids for the project work; and
WHEREAS, Bartek Construction Co., a local, SBE contractor, submitted a bid in the amount of $482,738.00 for the project work and has been determined to be the lowest responsible bidder; and

WHEREAS, the total amount of $482,738.00 is available from the System Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) award a construction contract to Bartek Construction Co. in an amount not to exceed $482,738.00 in connection with the 2019 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 3, (ii) approve and make available an amount not to exceed $482,738.00 from the System Fund for the project work, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iii) authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Bartek Construction Co., and to pay Bartek Construction Co. an amount not to exceed $482,738.00 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 $482,738.00 is hereby awarded to Bartek Construction Co., who is determined to be the lowest responsible bidder, in connection with the 2019 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 3.

2. That the expenditure of System funds in an amount not to exceed $482,738.00 for the project work is hereby approved and made available from the System Fund, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Bartek Construction Co., and to pay Bartek Construction Co. an amount not to exceed $482,738.00 in connection with the 2019 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 3.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that 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 12th day of March, 2019.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: APPROVAL OF ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE WASTEWATER FLOW METERING SERVICES PROJECT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 17-140 by authorizing additional funds to an existing professional services contract with ADS Environmental Services, a local, non-SMWVB firm, in an amount not to exceed $271,506.15 in connection with the Wastewater Flow Metering Services Project (the “Project”).

- By Resolution No. 17-140, adopted on June 07, 2017, the San Antonio Water System’s (the “System”) Board of Trustees approved a professional services contract in the amount of $3,008,815.00 with ADS Environmental Services in connection with the Project.

- The original authorization in the amount of $3,008,815.00 provided standard professional services and supplemental services that included the installation of 90 flow meters, 35 level sensors, and 30 rain gauges, perform regular maintenance and calibration, provide recorded data, analyze locations/data to ensure data quality, and remove the meters/gauges at the end of the contract.

- Additional funding in an amount not to exceed $271,506.15 is required for the additional professional services of acquiring and installing 15 flow meters and will increase the total contract amount to $3,280,321.15.

- The original scope allowed staff through the flow monitors and rain gauges the capability of investigating the operation of the wastewater collection system, implementing measures to mitigate surcharging and sanitary sewer overflows (SSOs), and calibrating the hydraulic model used to plan for future capital improvements. The increased scope through this contract amendment will expand this capability.

- Staff will review the design documents and perform coordination as required.

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

The additional services will be paid from the System Fund in the 2019 and 2020 budgets (Company: 1000, Accounting Unit: 5044600, Account: 511312, Total additional amount: $271,506.15). Expenditures for future years are hereby authorized to be made available pursuant to and contingent on Board approval of future budgets with a line item for such expenditures. The revised authorization for this contract is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 17-140)</td>
</tr>
<tr>
<td>Proposed Additional Funds</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

As a result of the additional funds, the revised contract amount is $3,280,321.15. This represents a nine percent increase to the original contract.

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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING ADDITIONAL EXPENDITURES TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH ADS ENVIRONMENTAL SERVICES IN AN AMOUNT NOT TO EXCEED $271,506.15 IN CONNECTION WITH THE WASTEWATER FLOW METERING SERVICES PROJECT; APPROVING THAT AN AMOUNT NOT TO EXCEED $271,506.15 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM FUND FOR THE ADDITIONAL PROFESSIONAL SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH ADS ENVIRONMENTAL SERVICES, AND TO PAY ADS ENVIRONMENTAL SERVICES AN ADDITIONAL AMOUNT NOT TO EXCEED $271,506.15 FOR THE ADDITIONAL PROFESSIONAL SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s (the “System”) Board of Trustees by Resolution No. 17-140 adopted on June 07, 2017, awarded a professional services contract to ADS Environmental Services in an amount not to exceed $3,008,815.00 in connection with the Wastewater Flow Metering Services Contract (the “Project”); and

WHEREAS, additional funding in an amount not to exceed $271,506.15 is required to add the additional professional services to the original contract and to increase the contract amount; and

WHEREAS, an amount not to exceed $271,506.15 is available from the System Fund for the additional professional services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve additional expenditures in an amount not to exceed $271,506.15 in connection with the Project, (ii) to make available an amount not to exceed $271,506.15 from the System Fund for additional professional services, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the existing professional services contract with ADS Environmental Services, and to pay ADS Environmental Services an additional amount not to exceed $271,506.15 for additional professional services; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Resolution No. 17-140 is hereby amended to provide additional expenditures to the existing professional services contract with ADS Environmental Services in an amount not to exceed $271,506.15 in connection with the Wastewater Flow Metering Services Project.

2. That an additional amount not to exceed $271,506.15 is hereby made available and is to be expended from the System Fund for additional professional services, and that expenditures for future years are hereby authorized to be made available pursuant to and contingent on Board approval of future 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 an amendment to the existing professional services contract with ADS Environmental Services, and to pay ADS Environmental Services an amount not to exceed $271,506.15 in connection with the Wastewater Flow Metering Services 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 12th day of March, 2019.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Patricia E. Merritt, Assistant Secretary
SUMMARY AND RECOMMENDATION:

The resolution approves and authorizes the execution of the First Amendment to the Wholesale Water Service Contract between the East Central Special Utility District (ECSUD) and the San Antonio Water System (the “System”).

- The System and ECSUD executed a Wholesale Water Service Contract effective December 1, 2014, wherein the System provides wholesale water to ECSUD through four points of delivery.
  - ECSUD contracted for an annual commitment of 800 acre-feet of water per year, subject to the terms of the 2014 Contract, to be taken or not on an annual basis for a term of ten years. The 2014 Contract provided two five-year renewals. The total term of the 2014 Contract with renewals is twenty years.

- ECSUD is billed at the Bexar County wholesale rate schedule in accordance with City of San Antonio Ordinance # 2015-06-18-0575.

- The 2014 Contract required ECSUD to read each wholesale meter monthly and to report the monthly meter reads to the System by the fifteenth of each month.

- In order to ensure consistency in meter reading and billing, the System will read each wholesale meter monthly.

- The System prefers to read each wholesale meter monthly to ensure meter accuracy, proactively identify potential meter issues, and familiarize System staff with service line and meter locations in case of emergency.

- The System started performing monthly wholesale meter reads January 2018.
• The First Amendment reflects that the System is reading each meter monthly for billing ECSUD.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

There is no financial impact associated with this resolution.

APPROVED:

[Signatures]

Robert R. Puente
President/Chief Executive Officer

Donovan Burton
Vice President
Water Resources and Governmental Relations

Darren Thompson
Director
Water Resources
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE FIRST AMENDMENT TO THE WHOLESALE WATER SERVICE CONTRACT WITH THE EAST CENTRAL SPECIAL UTILITY DISTRICT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE FIRST AMENDMENT TO THE CONTRACT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, effective December 1, 2014, the San Antonio Water System (the “System”) and the City of East Central Special Utility District (ECSUD) entered into that one certain Wholesale Water Service Contract pursuant to the System’s Resolution No. 14-285; and

WHEREAS, the System and ECSUD desire to amend the monthly meter reading procedure; and

WHEREAS, the Contract required ECSUD to report meter reads monthly by the fifteenth to the System; and

WHEREAS, to improve consistency and efficiency in meter reading and billing, the System started performing monthly meter reads January 2018; and

WHEREAS, the System desires to read each meter to ensure meter accuracy, proactively identify potential meter issues, and familiarize System staff with service line and meter locations in case of emergency; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the First Amendment to the Wholesale Water Service Contract with the East Central Special Utility District, and (ii) authorize the President/Chief Executive Officer or his duly appointed designee to execute the First Amendment to the Wholesale Water Service Contract; now, therefore:

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

1. That the First Amendment to the Wholesale Water Service Contract with the East Central Special Utility District attached hereto as Attachment A is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the First Amendment to the Wholesale Water Service Contract.
3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

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

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 12th day of March, 2019.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary

Attachment:
A: First Amendment to Wholesale Water Service Contract - East Central Special Utility District
ATTACHMENT A

FIRST AMENDMENT
WHOLESALE WATER SERVICE CONTRACT
EAST CENTRAL SPECIAL UTILITY DISTRICT

This First Amendment to the Wholesale Water Service Contract with the East Central Special Utility District ("First Amendment") is entered into by and between the San Antonio Water System Board of Trustees, a water, wastewater, and water reuse utility ("System"), acting by and through its President and CEO, Robert R. Puente, and the East Central Special Utility District ("ECSUD").

The System and ECSUD entered into a Wholesale Water Service Contract ("Contract") that became effective on December 1, 2014, wherein the System provides water to ECSUD. The Parties desire to amend the terms of the Contract as edited below:

1. Paragraph 4.06 of the Contract below shall be deleted in its entirety without affecting the numbering of the remaining paragraphs:

2. Paragraph 5.04 shall be amended as follows:

   The System will perform monthly meter reads at the points of delivery.

3. No other terms, conditions, or provisions of the Wholesale Water Agreement are amended by this First Amendment and all such other terms, conditions and provisions shall continue in full force and effect.

This First Amendment shall be effective as of March 12, 2019.

SAN ANTONIO WATER SYSTEM EAST CENTRAL SPECIAL UTILITY DISTRICT

By: ________________________________ By: ________________________________

Robert R. Puente Albert Strzelczyk
President/CEO General Manager

Date: ________________________________ Date: ________________________________
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 SECOND AMENDMENT TO THE WHOLESALE WATER SERVICE CONTRACT BETWEEN CITY OF ELMENDORF AND SAN ANTONIO WATER SYSTEM

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The resolution approves and authorizes the execution of the Second Amendment to the Wholesale Water Service Contract between the City of Elmendorf (the “Elmendorf”) and the San Antonio Water System (the “System”). The System and Elmendorf executed a Wholesale Water Service Contract effective January 1, 2016, wherein the System provides water to the City. The System and Elmendorf entered into a First Amendment to the Contract effective January 1, 2018.

- The System and Elmendorf executed a Wholesale Water Service Contract (the “2015 Contract”) on August 4, 2015 through four points of delivery.
  - Elmendorf contracted for an annual commitment of 350 acre-feet of water per year, subject to the terms of the 2015 Contract, to be taken or not on an annual basis for a term of three years. The 2015 Contract provided two renewals; a two-year renewal and a five-year renewal. The term of the second renewal would begin upon expiration of the two-year renewal. The total term of the 2015 Contract with renewals is ten years.

- Elmendorf is billed at the Bexar County wholesale rate schedule in accordance with City of San Antonio Ordinance # 2015-06-18-0575.

- The First Amendment was executed to adjust the annual commitment for 2018 and the renewals to 280 acre-feet of water per year subject to the terms of the Contract, to be taken or not on an annual basis.

- The Second Amendment reflects two changes to the 2015 Contract:
  - The System will perform monthly wholesale meter reads at the points of delivery.
    - The 2015 Contract required Elmendorf to read each wholesale meter monthly and to report the monthly meter reads to SAWS.
In order to ensure consistency in wholesale meter reading and billing, the System will read each wholesale meter monthly.

The System prefers to read each wholesale meter monthly to ensure meter accuracy, proactively identify potential meter issues, and familiarize System staff with service line and meter locations in case of emergency.

The System started performing monthly wholesale meter reads January 2018.

The Second Amendment reflects that the System is reading each wholesale meter monthly for billing Elmendorf.

- Amends the date the first and second renewal of the 2015 Contract occurs on or before December 31st rather than January 31st
- January 31st required Elmendorf to notify SAWS 11 months in advance of the termination date
- The correction to December 31st provides Elmendorf additional time to notify SAWS up to the date prior to the start of the contract renewal

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

There is no financial impact associated with this resolution.

Darren Thompson
Director
Water Resources

Donovan Burton
Vice President
Water Resources and Governmental Relations

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE SECOND AMENDMENT TO THE WHOLESALE WATER SERVICE CONTRACT WITH THE CITY OF ELMENDORF; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE SECOND AMENDMENT TO THE CONTRACT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, effective January 1, 2016, the San Antonio Water System (the “System”) and the City of Elmendorf (the “Elmendorf”) entered into that one certain Wholesale Water Service Contract pursuant to the System’s Resolution No. 15-178; and

WHEREAS, effective January 1, 2018, the System and Elmendorf entered into that one certain First Amendment to Wholesale Water Service Contract pursuant to the System’s Resolution No. 18-067; and

WHEREAS, the System and Elmendorf desire to amend the monthly meter reading procedure and renewal notification date; and

WHEREAS, the Contract required Elmendorf to report meter reads monthly by the fifteenth to the System; and

WHEREAS, to improve consistency and efficiency in meter reading and billing, the System started performing monthly meter reads January 2018; and

WHEREAS, the System desires to read each meter to ensure meter accuracy, proactively identify potential meter issues, and familiarize System staff with service line and meter locations in case of emergency; and

WHEREAS, the System and Elmendorf desire to amend the first and second renewal occurs on or before December 31st rather than January 31st; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the Second Amendment to the Wholesale Water Service Contract with the City of Elmendorf, and (ii) authorize the President/Chief Executive Officer or his duly appointed designee to execute the Second Amendment to the Wholesale Water Service Contract; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That the Second Amendment to the Wholesale Water Service Contract with the City of
Elmendorf attached hereto as Attachment A is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby
authorized to execute the Second Amendment to the Wholesale Water Service Contract.

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

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

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 12th day of March, 2019.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Patricia E. Merritt, Assistant Secretary

Attachment:
A: Second Amendment to Wholesale Water Service Contract - City of Elmendorf
SECOND AMENDMENT
WHOLESALE WATER SERVICE CONTRACT
CITY OF ELMENDORF

This Second Amendment to Wholesale Water Service Contract with the City of Elmendorf ("Second Amendment") is entered into by and between the San Antonio Water System Board of Trustees, a water, wastewater, and water reuse utility ("System"), acting by and through its President and CEO, Robert R. Puente, and the City of Elmendorf ("City").

The System and the City executed a Wholesale Water Service Contract ("Contract") effective January 1, 2016, wherein the System provides water to the City. The Parties entered into a First Amendment to the Contract that became on January 1, 2018. The Parties desire to amend the terms of the Contract for a second time as edited below:

1. Paragraph 4.05 of the Contract below shall be deleted in its entirety without affecting the numbering of the remaining paragraphs:

2. Paragraph 5.04 shall be amended as follows:

   The System will perform monthly meter reads at the points of delivery.

3. Paragraph 10.00 shall be amended as follows:

   Subject to the conditions identified in paragraphs 4.01 and 6.05 above, the term of this Contract shall begin on January 1, 2016. The term of this contract shall be for a period of three (3) years. Upon the written consent of both parties, this contract shall be renewed up to two times. The first renewal ("First Renewal") may be for a term of two (2) years and must be agreed to by both parties on, or before, December 31st of the 3rd year of this Contract.

   The second renewal ("Second Renewal") may be for a term of five (5) years and must be agreed to by both parties on, or before, December 31st of the 5th year of this Contract. The term of the Second Renewal will begin on the day following the expiration of the First Renewal.

   This Contract will automatically expire at the end of the initial term, or the renewal term thereafter, if the First or Second Renewals are not mutually agreed to and timely completed.
4. No other terms, conditions, or provisions of the Wholesale Water Agreement are amended by this Second Amendment and all such other terms, conditions and provisions shall continue in full force and effect.

This Second Amendment shall be effective as of March 12, 2019.

SAN ANTONIO WATER SYSTEM

By: __________________________
    Robert R. Puente
    President/CEO

Date: _________________________

CITY OF ELMENDORF

By: __________________________
    Michael J. Gonzales
    Mayor

Date: _________________________
AGENDA ITEM NO. 17

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 ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves Utility Service Agreements (USA) to provide water and/or wastewater services to 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 seven tracts, which total 741.83 acres; 3,918 water Equivalent Dwelling Units (EDUs); and 3,738 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 are located outside the System’s water and/or wastewater CCN.

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

- The Stolte 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 670 EDUs of water and 655 EDUs of wastewater services and consists of oversized infrastructure and impact fee credits.

- The Fischer Road Subdivision Tract is located inside the City of San Antonio Extra Territorial Jurisdiction, outside the System’s water CCN and inside the wastewater CCN. The USA provides 1,434 EDUs of water and 1,350 EDUs of wastewater services.
• The Cuisine Solutions Tract is located inside the City of San Antonio City Limits, outside the System’s water CCN and inside the wastewater CCN. The USA provides 900 EDUs of water and 900 EDUs of wastewater services.

• The Chavaneaux Place Subdivision Tract is located inside the City of San Antonio City Limits, inside the System’s water CCN and inside the wastewater CCN. The USA provides 606 EDUs of water and 550 EDUs of wastewater services and consists of oversized infrastructure and impact fee credits.

• The Morgan’s Camp 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 108 EDUs of water and 83 EDUs of wastewater services and consists of oversized infrastructure and impact fee credits.

• The Falcon Landing East Tract is located outside the City of San Antonio City Limits, inside the System’s water CCN and inside the wastewater CCN. The USA provides 1,575 EDUs of water and 1,500 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 tract (on-site and off-site).

Staff recommends that the Board approve this resolution.
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>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>Elmac Tract</td>
<td>Elmac Ltd</td>
<td>42.30</td>
<td>200</td>
<td>200</td>
<td>CoSA INSIDE</td>
<td>Y</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Stolte Tract</td>
<td>Hugo Stolte</td>
<td>241.00</td>
<td>670</td>
<td>655</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>Fischer Road Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>225.00</td>
<td>1,434</td>
<td>1,350</td>
<td>CoSA ETJ OUTSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>4</td>
<td>Cuisine Solutions Tract</td>
<td>Brooks Development Authority</td>
<td>23.70</td>
<td>900</td>
<td>900</td>
<td>CoSA OUTSIDE</td>
<td>N</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>5</td>
<td>Chavaneaux Place Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>92.17</td>
<td>606</td>
<td>550</td>
<td>CoSA OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>6</td>
<td>Morgan’s Camp Tract</td>
<td>Gordon Hartman Family Foundation</td>
<td>117.66</td>
<td>108</td>
<td>83</td>
<td>CoSA ETJ INSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>7</td>
<td>Falcon Landing East</td>
<td>KB Home Lone Star, Inc.</td>
<td>271</td>
<td>1575</td>
<td>1500</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
</tbody>
</table>

**Total** 1,012.83 5,493 5,238

**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.
### 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>1</td>
<td>Elmac Tract 15 INCH SEWER</td>
<td>$69,766.67</td>
<td>$27,733.33</td>
<td>$97,500.00</td>
<td>28.44%</td>
<td>71.56%</td>
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<tr>
<td>2</td>
<td>Stolte Tract 16 INCH WATER</td>
<td>$564,200.00</td>
<td>$725,400.00</td>
<td>$1,289,600.00</td>
<td>56.25%</td>
<td>43.75%</td>
</tr>
<tr>
<td>2</td>
<td>Stolte Tract 36 INCH SEWER</td>
<td>$2,159,444.44</td>
<td>$180,555.56</td>
<td>$2,340,000.00*</td>
<td>7.72%</td>
<td>92.28%</td>
</tr>
<tr>
<td>2</td>
<td>Stolte Tract 15 INCH SEWER</td>
<td>$216,666.67</td>
<td>$173,333.33</td>
<td>$390,000.00</td>
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<td>55.56%</td>
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<tr>
<td>2</td>
<td>Stolte Tract 36 INCH SEWER</td>
<td>$1,295,666.67</td>
<td>$108,333.33</td>
<td>$1,404,000.00*</td>
<td>7.72%</td>
<td>92.28%</td>
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<tr>
<td>5</td>
<td>Chavaneaux Place Subdivision 12-INCH WATER</td>
<td>$156,000.00</td>
<td>$124,800.00</td>
<td>$280,800.00*</td>
<td>44.44%</td>
<td>55.56%</td>
</tr>
<tr>
<td>5</td>
<td>Chavaneaux Place Subdivision 12-INCH SEWER</td>
<td>$225,333.33</td>
<td>$180,266.67</td>
<td>$405,600.00</td>
<td>44.44%</td>
<td>55.56%</td>
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<tr>
<td>6</td>
<td>Morgan’s Camp 16-INCH WATER</td>
<td>$118,300.00</td>
<td>$152,100.00</td>
<td>$270,400.00*</td>
<td>56.25%</td>
<td>43.75%</td>
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<tr>
<td>7</td>
<td>Falcon Landing East 30-INCH SEWER</td>
<td>$3,931,200.00</td>
<td>$748,800.00</td>
<td>$4,680,000.00*</td>
<td>16.00%</td>
<td>84.00%</td>
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</table>

|                | $4,805,377.78 | $1,672,522.22 | $6,477,900.00     |

*Note: The Developer is eligible for impact fee credits for their share of the cost for the water and/or sewer infrastructure.

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

APPROVED:

[Signature]

Robert R. Puente
President/Chief Executive Officer

Attachments: 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>
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<tr>
<td>1</td>
<td>Elmac Tract</td>
<td>Elmac Ltd</td>
<td>Lloyd Soyars</td>
<td>CoSA</td>
<td>INSIDE</td>
<td>Y</td>
<td>11</td>
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<td>200</td>
<td>200</td>
<td>Headwaters of Leon Creek</td>
<td>OVR</td>
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<tr>
<td>2</td>
<td>Stolte Tract</td>
<td>Hugo Stolte</td>
<td>Hugo Stolte</td>
<td>CoSA ETJ</td>
<td>OUTSIDE</td>
<td>N</td>
<td>1080</td>
<td>241.00</td>
<td>670</td>
<td>655</td>
<td>Medio Creek</td>
<td>OVR</td>
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<tr>
<td>3</td>
<td>Fischer Road Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>Paul Kao</td>
<td>CoSA ETJ</td>
<td>OUTSIDE</td>
<td>Y</td>
<td>790</td>
<td>225.00</td>
<td>1,434</td>
<td>1,350</td>
<td>Medio Creek Watershed and Live Oak Slough-Medina River</td>
<td>CCN</td>
</tr>
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<td>4</td>
<td>Cuisine Solutions Tract</td>
<td>Brooks Development Authority</td>
<td>Leo Gomez</td>
<td>CoSA</td>
<td>OUTSIDE</td>
<td>N</td>
<td>3</td>
<td>23.70</td>
<td>900</td>
<td>900</td>
<td>Salado Creek-San Antonio River</td>
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<td>Paul Kao</td>
<td>CoSA</td>
<td>OUTSIDE</td>
<td>N</td>
<td>790</td>
<td>92.17</td>
<td>606</td>
<td>550</td>
<td>Palo Blanco Creek-Medina River</td>
<td>OVR</td>
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<tr>
<td>6</td>
<td>Morgan’s Camp Tract</td>
<td>Gordon Hartman Family Foundation</td>
<td>Gordon Hartman</td>
<td>CoSA ETJ</td>
<td>INSIDE</td>
<td>N</td>
<td>10</td>
<td>117.66</td>
<td>108</td>
<td>83</td>
<td>Clear Fork-Cibolo Creek Watershed and Mud Creek</td>
<td>OVR</td>
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<tr>
<td>7</td>
<td>Falcon Landing East</td>
<td>KB Home Lone Star, Inc.</td>
<td>Daniel Rodriguez</td>
<td>CoSA ETJ</td>
<td>OUTSIDE</td>
<td>N</td>
<td>8</td>
<td>271</td>
<td>1575</td>
<td>1500</td>
<td>Lower San Geronimo Creek, Medio Creek, and Upper Culebra Creek Watershed</td>
<td>OVR</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,012.83</strong></td>
<td><strong>5,493</strong></td>
</tr>
</tbody>
</table>
Utility Service Agreements to the Specified Tracts Requiring Oversizing and/or Outside the System’s Water and/or Wastewater CCN

Acronyms:

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EARZ</td>
<td>Edwards Aquifer Recharge Zone</td>
</tr>
<tr>
<td>CZ</td>
<td>Edwards Aquifer Contributing Zone</td>
</tr>
<tr>
<td>CoSA</td>
<td>City of San Antonio limits</td>
</tr>
<tr>
<td>OVR</td>
<td>Oversizing</td>
</tr>
<tr>
<td>WW</td>
<td>Wastewater</td>
</tr>
<tr>
<td>ETJ</td>
<td>Extraterritorial Jurisdiction</td>
</tr>
<tr>
<td>IFC</td>
<td>Impact Fee Credits</td>
</tr>
<tr>
<td>PZ</td>
<td>Pressure Zone</td>
</tr>
<tr>
<td>JBSA</td>
<td>Joint Base San Antonio Buffer Zone</td>
</tr>
</tbody>
</table>
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 ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM’S WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN), SUBJECT TO THE EXPIRATION OF SUCH AGREEMENTS IF NOT EXERCISED IN THIRTY-SIX MONTHS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / 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>Elmac Tract</td>
<td>Elmac Ltd</td>
<td>42.30</td>
<td>200</td>
<td>200</td>
<td>CoSA INSIDE</td>
<td>Y</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Stolte Tract</td>
<td>Hugo Stolte</td>
<td>241.00</td>
<td>670</td>
<td>655</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>Fischer Road Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>225.00</td>
<td>1,434</td>
<td>1,350</td>
<td>CoSA ETJ OUTSIDE</td>
<td>Y</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>4</td>
<td>Cuisine Solutions Tract</td>
<td>Brooks Development Authority</td>
<td>23.70</td>
<td>900</td>
<td>900</td>
<td>CoSA OUTSIDE</td>
<td>N</td>
<td>CCN</td>
<td>OUTSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>5</td>
<td>Chavaneaux Place Subdivision Tract</td>
<td>HK Real Estate Development, LLC</td>
<td>92.17</td>
<td>606</td>
<td>550</td>
<td>CoSA OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>6</td>
<td>Morgan’s Camp Tract</td>
<td>Gordon Hartman Family Foundation</td>
<td>117.66</td>
<td>108</td>
<td>83</td>
<td>CoSA ETJ INSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>7</td>
<td>Falcon Landing East</td>
<td>KB Home Lone Star, Inc.</td>
<td>271</td>
<td>1575</td>
<td>1500</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,012.83</strong></td>
<td><strong>5,493</strong></td>
<td><strong>5,238</strong></td>
<td></td>
<td></td>
<td></td>
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<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 Agreements 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 Agreements will be honored for a period of thirty-six months, and that if not exercised during this period, the Utility Service Agreements will expire; now, therefore:

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

1. That the System hereby approves the Utility Service Agreements and agrees to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing 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 Agreements shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service Agreements will expire.

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

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

5. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 12\textsuperscript{th} day of March, 2019.

_______________________________________

Berto Guerra, Jr., Chairman

ATTEST:

_______________________________

Pat Merritt, Assistant Secretary

Attachments: Project Site Maps
Tract is Located:
- Over the Edwards Aquifer Contributing Zone
- Within the 5-mile Camp Bullis Awareness Zone
- Within the 5-mile JBSA Buffer Zone

Elmac Tract
200 Water EDUs
200 Sewer EDUs
42.3 Acres
USA-20293

Phase I
Developer may connect up to 35 EDUs

Job No 16-1556

LS 271

Job No 09-2501

Phase II
Construct approximately 500 LF
of 15-inch Oversized Gravity Sewer Main

Legend
- Existing Sewer Main
- Existing Force Main
- USA Tract
- Parcels Updated
- LS 271 Cresta Bella
- Proposed Oversized Sewer Main

Project Location
Tract is located within:
- 5-Mile JBSA Buffer Zone

Fischer Road Subdivision
1434 Water EDUs
1350 Sewer EDUs
225 Acres
USA-20973

Legend
- USA Tract
- Parcels Update
- SAWS Sewer Mains

Project Location
Tect is located:
- Over the Edwards Aquifer Recharge Zone

Job No. 06-1843

OPTION I
Construct approx. 1,100 feet of 8-inch gravity sewer main

OPTION II
Connect to the proposed 8-inch gravity sewer main

Morgan's Camp
108 Water EDUs
83 Sewer EDUs
117.66 Acres
USA-20893

Job No. 11-1514

Job No. 18-1599

Legend
- Existing sewer main
- USA Tract
- Parcels Update
- Proposed 8-inch main

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: APPROVAL OF A CONTRACT BETWEEN THE SAN ANTONIO WATER SYSTEM, CONTINENTAL HOMES OF TEXAS, L.P., TAW PROPERTIES, LTD., AND SOUTH CENTRAL WATER COMPANY REGARDING AREAS TO BE SERVED BY THE SAN ANTONIO WATER SYSTEM AND SOUTH CENTRAL WATER COMPANY, AND APPROVAL TO FILE A PETITION WITH THE PUBLIC UTILITIES COMMISSION OF TEXAS FOR APPROVAL OF THE CONTRACT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes a service area agreement (the “Agreement”) between the San Antonio Water System (the “System”), Continental Homes, Texas, L.P., TAW Properties, Ltd, and South Central Water Company (SCWC) regarding the provision of retail sewer utility service by the System and SCWC to properties owned by Continental Homes and TAW, consistent with conditions outlined in the resolution. The attached resolution also approves filing a petition with the Public Utilities Commission of Texas (PUC) for approval of Agreement. It further authorizes the System to recommend to the City of San Antonio that the City Consent to the amendment of SCWC’s sewer Certificate of Convenience and Necessity (CCN) consistent with the Agreement.

- The Continental Property and TAW Property (the “Development”) are located within the City of San Antonio Extraterritorial Jurisdiction (ETJ), outside the System’s water CCN and inside the sewer CCN.

- The Continental Property is 144.78 acres and the TAW Property is 15.39 for a combined 160.17 acres.

- The Agreement allows SCWC to serve the Development through a dual CCN, which will preserve the System’s ability to provide retail service to the Development. The Agreement benefits the System and developer by deferring the capital improvement costs associated with a new lift station, force main, and gravity wastewater main that would be needed for the System to provide wastewater service to the Development with an estimated cost of $11,030,400.00.

- The Development, if served by SCWC, must follow the System’s aquifer protection standards. The Continental Property development will be limited to residential land uses...
Approval to Authorize a Service Agreement between the System, Continental Homes, Texas, L.P. TAW Properties, Ltd, and South Central Water Company Regarding the Provision of Retail Sewer Utility Service.

with impervious cover less than or equal to 15 percent. Texas Commission on Environmental Quality (TCEQ) Edwards Aquifer Recharge Zone (EARZ) Best Management Practices will be applied to the entire Development. No multi-family or commercial land use will be allowed within the Recharge Zone Portion of the Continental Property. The restrictions regarding multi-family and commercial land use shall not apply to the TAW Property.

- The Development, if served by SCWC, must follow the System’s infrastructure standards. SCWC will not amend its plant permit to seek less restrictive conditions. The collection system should meet or exceed System standards within the Development.

- The agreement to allow SCWC to obtain a CCN inside the ETJ is subject to the consent of the City of San Antonio, and final approval from the PUC.

- Upon approval of the Agreement by the PUC, the Development will acquire wastewater service from SCWC.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The allowance of a dual CCN between SAWS and SCWC defers potential capital costs totaling an estimated $11,030,400.00. However, based on the projected 190 Equivalent Dwelling Units, an estimated $628,140.00 of impact fees will not be collected by the System.

![Signature]
Tracey B. Lehmann, P.E.
Director
Development

![Signature]
Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

APPROVED:

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

Attachment:
1. Table 1, Tract Information
<table>
<thead>
<tr>
<th>Tract Name</th>
<th>Developer</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>PZ</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continental Property / TAW Property</td>
<td>Continental Homes of Texas, L.P. / TAW Properties Ltd.</td>
<td>CoSA ETJ</td>
<td>INSIDE</td>
<td>N/A</td>
<td>160.17</td>
<td>0</td>
<td>190</td>
<td>Indian Creek - Cibolo Creek</td>
</tr>
</tbody>
</table>

**Acronyms:**

EARZ = Edwards Aquifer Recharge Zone  
OVR = Oversizing  
AC = Acreage  
CZ = Edwards Aquifer Contributing Zone  
WW = Wastewater  
BMWD = Bexar Metropolitan Water District  
CoSA = City of San Antonio limits  
ETJ – Extraterritorial Jurisdiction  
PZ = Pressure Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A SERVICE AREA AGREEMENT BETWEEN THE SAN ANTONIO WATER SYSTEM, CONTINENTAL HOMES OF TEXAS, L.P., TAW PROPERTIES, LTD., AND SOUTH CENTRAL WATER COMPANY REGARDING AREAS TO BE SERVED BY THE SAN ANTONIO WATER SYSTEM AND SOUTH CENTRAL WATER COMPANY; APPROVING THE FILING OF A PETITION WITH THE PUBLIC UTILITIES COMMISSION OF TEXAS FOR APPROVAL OF THE SERVICE AREA 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, Continental Property and TAW Property (the “Development”), specified in the table below, has requested the San Antonio Water System (the “System”) to allow South Central Water Company (SCWC) to provide retail sewer utility service to the area bounded by the Continental Property and the TAW Property within Comal County as a dual certificate holder with the System; and

<table>
<thead>
<tr>
<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>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continental Property / TAW Property</td>
<td>Continental Homes of Texas, L.P. / TAW Properties Ltd.</td>
<td>160.17</td>
<td>0</td>
<td>190</td>
<td>CoSA ETJ</td>
<td>INSIDE</td>
<td>OUT</td>
<td>IN</td>
</tr>
</tbody>
</table>

WHEREAS, capital expenditures estimated at $11,030,400.00 will be deferred, which would have been required to construct infrastructure to provide wastewater service to the Continental Property and the TAW Property; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to allow South Central Water Company to provide retail sewer service to the Continental Property and the TAW Property as a dual certificate holder; now, therefore:

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

1. That the System hereby approves the Service Area Agreement with Continental Homes of Texas, L.P., TAW Properties Ltd., and South Central Water Company with following conditions: 1) Continental Property is limited to residential land use with impervious cover not to exceed 15 percent; 2) Continental Homes will not allow any multi-family or commercial land use within the Recharge Zone of the Continental Property, and the restrictions regarding multi-family and commercial land use shall not apply to the TAW Property; 3) that Texas Commission on Environmental Quality Edwards Aquifer Recharge Zone Best Management Practices will be
applied to the entirety of the Continental Property and the TAW Property; 4) South Central Water Company will not amend its wastewater treatment facility permit to less restrictive conditions; and 5) the wastewater collection system will meet or exceed the System’s infrastructure standards within the Continental Property and the TAW Property.

2. That the System hereby approves filing a petition with the PUC for approval of the Service Area Agreement, including dual certification for service to the properties.

3. The System recommends to the City of San Antonio that the City Consent to the amendment of SCWC’s sewer CCN consistent with 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 shall take effect immediately from and after its passage.

PASSED AND APPROVED this 12th day of March, 2019.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: APPROVING AN INTERLOCAL AGREEMENT AND AUTHORIZING REIMBURSEMENT OF EXPENDITURES TO PORT AUTHORITY OF SAN ANTONIO IN CONNECTION WITH THE PORT SAN ANTONIO DRAINAGE CHANNEL PROJECT

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Interlocal Agreement with Port Authority of San Antonio (the “Port Authority”), and authorizes reimbursement of expenditures to Port Authority in an amount not to exceed $4,100,000.00 for design services and joint construction of gravity sewer line installation and adjustment of water and recycled water facilities in connection with the Port San Antonio Drainage Channel Project.

- This is a Port Authority development project, in which, the City of San Antonio (the “City”) agreed in partnering with the Port Authority and leveraged funds by including funds in the Capital Improvement Program for the 2017-2022 Bond Program. The Port Authority proposes to construct approximately 1.2 miles of open channel in the project area illustrated on the attached maps. The Port Authority’s improvement work is estimated to cost $20,763,251.51.

- The depth of the proposed channel is in conflict with existing sewer mains. An option to avoid conflicts was to build a lift station to convey sewage underneath the proposed channel and tie-in to existing facilities downstream. The proposed gravity line along the channel’s alignment resolves conflicts and avoids increased maintenance costs to the San Antonio Water System (the “System”) in the future. In conjunction with the channel construction, four sewer lift stations, Nos. 308, 313, 315 and 316, will be eliminated through the installation of gravity sewer mains. All four are listed in the Consent Decree as prioritized lift stations for upgrade or decommission by July 23, 2023.

- The agreement that is the subject of the attached resolution, if approved, will authorize work that is required by the Consent Decree between the System, the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- Due to the channel construction for the Port San Antonio Drainage Channel Project, the
existing water mains constructed between 2000 and 2016 require adjustment to avoid conflicts with the Port Authority’s improvements.

- The existing recycled water main constructed in 2001 requires adjustment to avoid conflicts with the Port Authority’s improvements.

- The water adjustment work will consist of approximately 2,768 feet of 8-inch through 16-inch water mains.

- The recycled water adjustment work will consist of approximately 163 feet of 12-inch through 16-inch mains.

- The proposed gravity sewer work will consist of approximately 2.8 miles of 8-inch through 21-inch sewer mains. Additionally, four existing lift stations will be abandoned.

- Since the Port Authority’s proposed drainage improvements will conflict with the existing water and recycled water mains within the development, the Port Authority and the City have agreed to pay for all of the associated engineering design services fees and construction costs in the amount of $546,488.00 for this water and recycled water adjustment work.

- Funds, as determined by the amount bid, will be reimbursed to Port Authority following the execution of the Interlocal Agreement as work is completed and approved by the System.

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 Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $4,100,000.00 for sewer work. The job number is 17-5540.

There is no financial impact for the water and recycled water work. The water job number is 17-5049 and recycled water job number is 18-8620.

**SUPPLEMENTARY COMMENTS:**

Pape-Dawson Engineers, Inc. prepared the bid documents and specifications for the project under contract with Port Authority.
The City received four bids for this project on October 16, 2018. The lowest qualified, responsive bidder for this project is J3 Company, LLC, a local, SBE contractor. City Council approved the construction contract on January 17, 2019 and construction began in February 2019. Time allowed for total construction is 640 calendar days. The request for reimbursement is requested after City Council approves the award of the construction contract to ensure that the contract is awarded, to determine which contractor was awarded the project, to give the System’s staff time to review the bids and establish the reimbursement amount based on the winning bid.

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
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH PORT AUTHORITY OF SAN ANTONIO, AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT FOR THE ADJUSTMENT AND INSTALLATION OF WATER, SEWER AND RECYCLED WATER FACILITIES IN CONNECTION WITH THE PORT SAN ANTONIO DRAINAGE CHANNEL PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $4,100,000.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Port Authority of San Antonio (the “Port Authority”), in conjunction with the City of San Antonio (the “City”) through leveraged funds included in the Capital Improvement Program for the 2017-2022 Bond, proposes to construct the Port San Antonio Drainage Channel Project; and

WHEREAS, the Port San Antonio Drainage Channel Project will require the adjustment and installation of certain water, sewer and recycled water facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the City has received a bid for the project work from J3 Company, LLC and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in an amount not to exceed $4,100,000.00 are required for the project work; and

WHEREAS, the total amount of $4,100,000.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to approve an Interlocal Agreement with the Port Authority of San Antonio for the adjustment and installation of water, sewer and recycled water facilities in connection with the Port San Antonio Drainage Channel Project, and to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Interlocal Agreement, and (ii) to authorize the expenditure of funds in an amount not to exceed $4,100,000.00 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Interlocal Agreement with Port Authority substantially in the form of the agreement attached hereto is hereby approved, and the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement with Port Authority in connection with the Port San Antonio Drainage Channel Project.

2. That the expenditure of funds in an amount not to exceed $4,100,000.00 for the adjustment and installation of water, sewer, and recycled water facilities in connection with the Port San Antonio Drainage Channel Project is hereby approved.

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

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

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 12th day of March, 2019.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary
INTERLOCAL AGREEMENT
BETWEEN
SAN ANTONIO WATER SYSTEM AND PORT AUTHORITY OF SAN ANTONIO
FOR THE CITY OF SAN ANTONIO’S
IMPROVEMENT AND SEWER REPLACEMENT PROJECT

This Interlocal Agreement (the “Agreement”) is entered into this ___ day of __________, 2019, by and between SAN ANTONIO WATER SYSTEM, a wholly owned home rule municipal water, wastewater and water recycling utility (“SAWS”) and PORT AUTHORITY OF SAN ANTONIO (“Port Authority”), a political subdivision of the State of Texas, pursuant to the Interlocal Cooperation Act, Chapter 791, Government Code, and agree as follows:

I. PURPOSE

1.01 As part of its contract with the City of San Antonio (the “City Agreement”), Port Authority is constructing an Industrial Drainage Channel of approximately 6,000 linear feet of concrete open channel that is 50 feet wide with approximately 1,000 linear feet of underground concrete box culvert structure (the “Project”). The proposed channel is generally located on the southwest part of the Port San Antonio campus, between General Hudnell Drive and along Berman Road (herein collectively referred to as the “Port Authority Work”). SAWS desires for Port Authority to design and construct a sewer main for SAWS and the appurtenances necessary thereto to eliminate and decommission Lift Stations 313, 315, 316, and 308 (herein referred to as the “Sewer Main Work,” which is more particularly described in Section 2.01.1) during construction of the Industrial Drainage Channel. In addition, water mains and recycled water mains within the project limits will require relocation to resolve conflicts with the drainage improvement (herein referred to as the “Water Main Work,” which is more particularly described in the Section 2.01.1). Collectively, the “Sewer Main Work” and the “Water Main Work” shall be referred to as the “SAWS Work”. SAWS and Port Authority have agreed as set forth herein, on the terms and conditions pursuant to which the design and construction of the SAWS Work in the Project will be completed, and the costs, all as set forth below.

1.02 The purpose of this Agreement is to facilitate the construction of the Project by incorporating the SAWS Work into the Port Authority Work for a joint-bid through the City of San Antonio (COSA) 2017-2022 Bond Program. Either party would otherwise have the authority to perform the functions or services of this Agreement individually.

II. SERVICES

2.01 Port Authority Responsibilities related to 1.02 above.

2.01.1 Port Authority agrees to include in the Port Authority Specifications for the Project the plans and specifications for SAWS Water Job No. 17-5049 and Recycled Water Job No. 18-8620 as shown in Exhibit A (being the Water Main Work) and SAWS Sewer Job No. 17-5540 as shown in Exhibit B (being the Sewer Main Work) which is incorporated by reference herein, and to contract for the performance of the SAWS Work. Construction of the Project may also require relocation of certain other SAWS water facilities not shown in Exhibit A.
2.01.2 Port Authority or its contractor will be responsible for obtaining all necessary environmental and other applicable permits, including without limitation, the Bexar County Storm Water Pollution Prevention Plan (SWPPP) and Utility Permits for the Project.

2.01.3 Port Authority at its expense will be responsible for issuing any easements to SAWS prior to construction of the Project. Port Authority will coordinate with SAWS to ensure the easement rights are specific and sufficient for water and sewer utility services. Port Authority will provide review, coordination, assistance and recommendations regarding all clarifications and change orders to the Project pertaining to or affecting the Project. Port Authority will use its best efforts to avoid change orders affecting the SAWS Work. SAWS shall not be responsible for any costs related to the Port Authority’s failure to obtain such easements, including, any cost associated with a delay to the project due to such failure.

2.01.4 Port Authority will be required to obtain SAWS prior written approval on all change orders to the SAWS Work that are not requested by SAWS. Port Authority will be responsible for (i) any costs related to change orders due to unforeseen conditions if the change order(s) cause the cost of the project to exceed the amounts stated in 3.01 and 3.02; and (ii) any costs in excess to what SAWS would have paid had the design error/omission been incorporated into the original design if the change order(s) cause the cost of the project to exceed the amounts stated in 3.01 and 3.02.

2.01.5 Port Authority will be responsible for all environmental, archaeological, cultural/historical protections costs including, but not limited to, protection of cultural or historical resources, management, remediation, or disposal of contaminated groundwater, soil, and asbestos containing material including asbestos cement water pipe, and any potential project delay claims associated therewith.

2.01.6 Port Authority will be responsible for all other utility relocations associated with the work including SAWS potable, recycled (non-potable), or chilled water facilities not already specifically described in Section 2.01.1 if these costs are not covered in the City’s Drainage Channel budget.

2.01.7 Port Authority will be responsible for having the Project inspected and accepted by SAWS.

2.01.8 The Port Authority Work will be designed in such a manner that the payment items for SAWS Work and Port Authority Work can be distinguished.

2.01.9 Port Authority will include in its Specifications for the Project, the plans and specifications for the Project for Port Authority to use through a joint bid with COSA. Design plans for SAWS Work will meet all SAWS and TCEQ requirements. Design progress submittals and schedule will follow the 2017 COSA Bond Program Design Guidance Manual or most current edition.
2.01.10 Port Authority will make payment for the design costs and will bill SAWS the agreed upon amount for the SAWS Work, as shown in Exhibit A and Exhibit B as applicable in section 3.02.

2.01.11 Any changes requested by Port Authority that necessitate a change in the approved SAWS Plans will be completed at the expense of Port Authority.

2.01.12 Port Authority agrees to allow SAWS access to the Project site to (i) inspect and witness testing of the Project and to determine if the Project is in conformity with the plans, specifications and special provisions applicable thereto and is in good working order, and (ii) verify all quantities used in connection with the Project.

2.01.13 Pursuant to the City Agreement, Port Authority will be responsible for ensuring compliance with any and all applicable procurement statutes.

2.02 SAWS Responsibilities.

2.02.1 SAWS will review and approve the plans and specifications for the SAWS Work and other impacts to SAWS owned facilities. SAWS retains the authority to review, comment, and reject any design plans which do not meet SAWS design criteria or TCEQ regulations.

2.02.2 SAWS retains the authority to inspect and accept or reject all SAWS Work and other impacts to SAWS owned facilities.

2.02.3 SAWS retains the authority to review and approve or reject progress payments for the design and construction of the SAWS Work and other impacts to SAWS owned facilities.

2.02.4 SAWS will reimburse Port Authority all agreed upon design costs for the SAWS Work.

2.02.5 SAWS will reimburse Port Authority all agreed upon construction costs for the SAWS Work, contingent upon SAWS Board appropriation of funds and Port Authority’s joint bid with COSA.

III. FEE

3.01 SAWS will be responsible for reimbursement to Port Authority for up to Three Million, Seven Hundred Five Thousand, Five Hundred Dollars and Zero Cents ($3,705,500.00) of all construction costs for the SAWS Work. Once the project has been bid, SAWS will review, approve and pay the construction invoices as they become due subject to the limitations in this Agreement. Port Authority will be responsible for all construction costs in excess of Three Million, Seven Hundred Five Thousand, Five Hundred Dollars and Zero Cents ($3,705,500.00).

3.02 SAWS will reimburse Port Authority up to ten percent (10%) of SAWS proportionate share of construction costs for engineering. Final engineering costs will be approved by SAWS and are not to exceed Three Hundred Ninety Four Thousand, Five Hundred and Zero Cents ($394,500.00). Once the project has been bid, SAWS will review, approve and pay the
engineering invoices as they become due subject to the limitations in this Agreement. Port Authority will be responsible for all engineering costs in excess of Three Hundred Ninety Four Thousand, Five Hundred and Zero Cents ($394,500.00).

3.03 As part of its agreement herein and pursuant to the City Agreement, Port Authority will be responsible to the City of San Antonio and/or the engineers for any costs in excess of those specified in 3.01 and 3.02 above.

3.04 Both Parties find that these amounts fairly compensate the performing party for the services or functions performed hereunder and that those payments are from revenues currently available to each respective paying party.

3.05 Port Authority will invoice SAWS for payment toward the engineering services provided in performing the SAWS Work hereunder. The invoice provided to SAWS by Port Authority will include copies of engineer’s supporting documentation. Once the project has been bid, SAWS will pay up to sixty percent (60%) of the engineering costs for the design of the project. Thereafter, SAWS will pay up to thirty percent (30%) of the engineering costs for project management as those invoices become due. SAWS will pay the final ten percent (10%) of engineering costs once SAWS has reviewed and accepted record drawings from the design engineer.

3.06 Both Parties agree that SAWS shall not responsible for any costs or payments that exceed total amounts identified in 3.01 and 3.02 above.

IV. TERMINATION

4.01 Either Party to this Agreement will have the right to terminate this Agreement in the event the other Party fails to comply with any obligation required pursuant to this Agreement. The terminating Party will send a written notice of termination to the defaulting Party detailing the obligation with which the defaulting Party failed to comply. The Party in receipt of such notice of termination for cause will have a period of sixty (60) days to cure the default and perform the obligation as required in the Agreement, failing which, this Agreement will terminate.

V. ENTIRE AGREEMENT

5.01 This Agreement supersedes any and all other agreements, either oral or in writing.

VI. TEXAS LAW TO APPLY

6.01 This Agreement is performable in Bexar County, Texas, and the validity of any of its terms or provisions, as well as the rights and duties of the parties, will be governed by the laws of the State of Texas, and venue will be in Bexar County Texas.

VII. SEVERABILITY
7.01 If any provision contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provision and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained the Agreement.

VIII. AMENDMENT

8.01 In order to be binding, any amendment to this Agreement must be in writing, dated subsequent to the date of this Agreement and duly executed by both parties.

IX. GOVERNING BODY AUTHORIZATION

9.01 This Agreement has been authorized by the SAWS Board of Trustees, by Resolution No. 19-___, dated March 12, 2019, and the Port Authority Board of Directors, by Resolution No. ___________, dated _____________, 2019.

Remainder of page intentionally left blank
- Signatures on next page -
EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH WILL HAVE FULL FORCE AND EFFECT ON THIS _______ DAY OF ____________, 2019.

SAN ANTONIO WATER SYSTEM

BY: __________________________
    ROBERT R. PUENTE
    President/CEO

PORT AUTHORITY OF SAN ANTONIO

BY: __________________________
    JAMES E. PERSCHBACH
    President/CEO

- Acknowledgements on next page -
ACKNOWLEDGEMENTS

STATE OF TEXAS ¶
COUNTY OF BEXAR ¶

This instrument was acknowledged before me on the _____ day of ______________, 2019 by Robert R. Puente, President and CEO of the San Antonio Water System, a Texas municipal corporation, on behalf of said corporation.

________________________________
NOTARY PUBLIC

STATE OF TEXAS ¶
COUNTY OF BEXAR ¶

This instrument was acknowledged before me on the _____ day of ______________, 2019 by James E. Perschbach, President and CEO of the Port Authority of San Antonio, a political subdivision of the State of Texas, on behalf of said corporation.

________________________________
NOTARY PUBLIC
TO: San Antonio Water System Board of Trustees

FROM: Philip C. Campos, Jr., Director, Contracting, Yvonne Torres, Director, Purchasing, Nancy Belinsky, Vice President/General Counsel, and Doug Evanson, Senior Vice President/Chief Financial Officer

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

SUBJECT: ADOPTION OF BOARD APPROVED THRESHOLDS

Board Action Date: March 12, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution permanently adopts the Board approved thresholds that were initially approved on March 6, 2018. These increased thresholds are in the best interest of the San Antonio Water System (the “System”) using Prudent Utility Practices (as defined in City Ordinance No. 75686, and referred to herein as the “Creation Ordinance”), in compliance with the Creation Ordinance and applicable law, to improve efficiency of the System.

- On March 6, 2018, the Board approved a 12 month pilot period that increased the Board approved threshold for the Purchasing and Contracting Policy to $100,000.00.

- During the 12 month pilot period, the Board has been provided with two summary reports on the results and procurement methods used to award administratively approved contracts. The results have shown that all contracts followed the Texas Statutory requirements and the average delivery of the goods and/or services were provided faster by approximately 42 days.

- During the pilot period, the Purchasing Department awarded 61 contracts with an average contract value of $73,197.92 and 24.30 percent of the dollars awarded for these contracts went to Small Minority vendors. The Contracting Department amended 23 professional services contract with an average amendment amount of $32,035.62.

- This reduction in contract award time has benefited the System by allowing access to goods and services in a timelier manner and has benefited the business community by placing orders earlier and allowing vendors to be paid quicker.

- The pilot period has allowed the Purchasing and Contracting Department workflow to be more efficient on these procurements by enabling the issuance of the bid, evaluation and award without the four to six week hold time period while waiting to go to the Board.
Due to the success of this 12 month pilot program, this approval permanently adopts the Board approved threshold of $100,000.00 for the Purchasing and Contracting Policy.

SAWS staff will continue to provide the Board with a semi-annual report of all applicable administrative approvals.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

This resolution improves the efficiency of the System and there are no direct costs associated with the approval of this resolution.

Philip C. Campos, Jr.
Director
Contracting

Nancy Belinsky
Vice President/General Counsel

Yvonne Torres
Director
Purchasing

Doug Evans
Senior Vice President/Chief Financial Officer

Robert R. Puente
President/Chief Executive Officer

APPROVED:
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES TO PERMANENTLY ADOPT THE BOARD APPROVED THRESHOLD OF $100,000.00 FOR THE PURCHASING AND CONTRACTING POLICY; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Board, using Prudent Utility Practice (as defined in City Ordinance 75686, which ordinance shall be referred to herein as the “Creation Ordinance”), to further the best interest of the San Antonio Water System (the “System”), and in compliance with the Creation Ordinance and applicable law, wishes to improve the efficiency of awarding, approving, executing and closing all contracts for goods and services for the System; and

WHEREAS, on March 6, 2018, the Board approved a 12 month pilot period that increased the Board approved threshold for the Purchasing and Contracting Policy to $100,000.00; and

WHEREAS, during the 12 month pilot period, the Board has been provided with two summary reports on the results and procurement methods used to award administratively approved contracts. The results have shown that all contracts followed the Texas Statutory requirements and the average delivery of the goods and/or services were provided faster by approximately 42 days; and

WHEREAS, during the pilot period, the Purchasing Department awarded 61 contracts that average a contract value of $73,197.92 and 24.30 percent of the dollars awarded for these contracts went to Small Minority vendors. The Contracting Department amended 23 professional services contract with an average amendment amount of $32,035.62; and

WHEREAS, this reduction in contract award time has benefited the System by allowing access to goods and services in a timelier manner and has benefited the business community by placing orders earlier and allowing vendors to be paid quicker; and

WHEREAS, due to the success of this 12 month pilot program, the Board desires to permanently adopt the Board approved threshold of $100,000.00 for the Purchasing and Contracting Policy; now, therefore:

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

1. That the Board approved threshold of $100,000.00 in the Purchasing and Contracting Policy is hereby adopted.
2. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 552 Government code.

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

4. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 12th day of March, 2019.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Patricia E. Merritt, Assistant Secretary