AGENDA

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

1. MEETING CALLED TO ORDER.

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

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of June 4, 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 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. Acceptance of the best value bid of Dahill Office Technology Corporation dba Xerox Business Solutions Southwest to provide: print shop upgrades, Bid No. 19-1148, for a total of $725,158.33.

2. Approving a one-time single source purchase from Warehouse Rack Co., LP to provide: purchase and installation of shelving, bulk racking and pallet racking at Eastside and Northwest Operations Centers, Bid No. 19-19065, for a total of $152,215.00.

3. Approving a one-time purchase from ASCO Equipment to provide: used excavator track crawler mounted, hinge boom, minimum 82,000 lbs. operating weight with attachments, Bid No. 19-19067, for a total of $330,000.00.

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

1. Acceptance of the single source bid of Pure Technologies US, Inc. dba Wachs Water Services to provide: annual contract for air release valves preventative maintenance services, Bid No. 19-19049, for a total of $202,250.00.

2. Acceptance of the bid of Tenoch Distribution, LLC to provide: biennial contract for fire hydrants, Bid No. 19-0011, for a total of $1,307,136.70.

3. Acceptance of the bid of Brenntag Southwest, Inc. to provide: short term contract for the purchase and delivery of 12.5% sodium hypochlorite solution, Bid No. 19-19077, for a total of $435,000.00.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS,
EXTENSIONS AND ADDITIONAL CAPACITY
Developer Customer Contracts

7. A Resolution approving the expenditure of funds in an amount not to exceed $111,360.44 to Pulte Homes of Texas, LP for a permanent water line easement in connection with the Westlakes Off-Site Water Main Extension – Segment B.  
(ANDREA BEYMER – TRACEY LEHMANN)

8. A Resolution approving the expenditure of funds in an amount not to exceed $305,500.00 to KB Home Lone Star, Inc. for the purchase of a 3.315-acre tract of land in connection with the Green Mountain Pump Station Facility.  
(ANDREA BEYMER – TRACEY LEHMANN)

Water and Sewer Line Improvements

9. A Resolution awarding a construction contract to Qro Mex Construction Co., Inc. in an amount not to exceed $1,869,744.00 in connection with the Alamosa Drive & Hunstock Avenue DR 1131 Project.  
(ANDREA BEYMER – GAIL HAMRICK-PIGG)

10. A Resolution awarding a construction contract to Vortex Turnkey Solutions, LLC in an amount not to exceed $1,294,450.00 in connection with the Central Sewershed Package 6 Project.  
(ANDREA BEYMER – GAIL HAMRICK-PIGG)

11. A Resolution awarding a construction contract to PM Construction & Rehab, LLC dba IPR South Central in an amount not to exceed $121,208.66 in connection with the Multiple Sewershed Package 9A.  
(ANDREA BEYMER – GAIL HAMRICK-PIGG)

12. A Resolution awarding a professional services contract to Gonzalez-De La Garza & Associates, LLC in an amount not to exceed $376,837.40 in connection with the Central Sewershed Package 9 (Airport).  
(ANDREA BEYMER – GAIL HAMRICK-PIGG)

13. A Resolution awarding a professional services contract to Weston Solutions, Inc. in an amount not to exceed $1,059,530.40 in connection with the 2019 Small Capacity Constraints I.  
(ANDREA BEYMER – GAIL HAMRICK-PIGG)

Production, Transmission and Treatment Improvements

14. A Resolution awarding a construction contract to Archer Western Construction, LLC in an amount not to exceed $843,500.00 in connection with the Steven M. Clouse (formerly Dos Rios) Water Recycling Center Primary Clarifier Rehabilitation Project.  
(ANDREA BEYMER – TRACEY LEHMANN)

15. A Resolution approving additional funds in an amount not to exceed $262,516.00 to the professional services contract with Gupta and Associates, Inc. in connection with the Steven M. Clouse (formerly Dos Rios) and Leon Creek Water Recycling Centers Electrical System Improvements – Phase 2 Project.  
(ANDREA BEYMER – JUAN GOMEZ)
16. A Resolution approving an Interlocal Agreement with Bexar County; authorizing the expenditure of funds in an amount not to exceed $445,692.32 for the adjustment of sewer facilities by Bexar County in connection with the South Hausman Road (LC-5) Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

17. A Resolution approving Change Order No. 5 and authorizing additional funds in an amount not to exceed $225,000.00 to the existing Interlocal Agreement with Bexar County in connection with the Huebner Creek Enhanced Conveyance LC17 - Phase III Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

18. A Resolution approving an Interlocal Agreement with the Alamo Regional Mobility Authority; authorizing the expenditure of funds in an amount not to exceed $1,636,264.78 for the adjustment of water and sewer facilities by the Alamo Regional Mobility Authority in connection with the Foster Road Phase III Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

19. A Resolution approving additional funds in an amount not to exceed $590,282.31 to the existing Interlocal Agreement with the San Antonio River Authority in connection with the San Pedro Creek Improvements Phase I Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

20. A Resolution approving the acquisition of a permanent sewer line easement being approximately 0.762 acres and temporary construction easement being approximately 1.940 acres in the aggregate from H.G. Property Management, L.P., and located at the northeast corner of Leon Creek and U.S. Highway 90 West, in the western sewershed in Bexar County, Texas in connection with the W-1 Leon Creek Highway 151 to Highway 90 Lower Segment Project in an amount not to exceed $136,450.00. (NANCY BELINSKY – BRUCE HABY)

21. 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 E-16 Wurzbach Parkway Sewer at Highway 281 Pipeline Segment in the northeast quadrant of Bexar County, Texas, which easements shall be acquired by negotiation and/or condemnation, if necessary. Property located in: NCB 11790, 12059, 16816, 16325, 17261, 17184, 12694 and 13494. (NANCY BELINSKY – BRUCE HABY)

22. A Resolution approving additional expenditures to the existing professional services contract with Signature Automation, LLC in an amount not to exceed $876,000.00 in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 2 Project. (ANDREA BEYMER – JUAN GOMEZ)
23. A Resolution approving Settlement Agreements with Merchants National Bonding, Inc. and Horizon Bros. Painting Corp. and the San Antonio Water System Board of Trustees; authorizing the President/Chief Executive Officer or his duly appointed designee to execute the Settlement Agreements and to execute all documents and take all actions necessary to implement the agreements. (NANCY BELINSKY)

24. A Resolution approving Change Order No. 2 in an amount not to exceed $2,764,411.00 to the existing construction contract with Archer Western Construction, LLC in connection with the Central Water Integration Pipeline – Maltsberger Pump Station Improvements Project. (ANDREA BEYMER – ALISSA LOCKETT)

ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Water and Sewer Line Improvements

25. A Resolution authorizing the execution of a Memorandum of Agreement with the United States of America, acting by and through the Secretary of the Air Force, concerning coordination efforts during construction of the W6: Upper Segment Sewer Main Replacement Project, and the transfer of sewer infrastructure located on Joint Base San Antonio-Lackland to the United States Air Force. (MIKE FRISBIE – JEFF HABY)

Developer Customer Contracts

26. 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)

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27. BRIEFING SESSION.

A. Briefing and deliberation regarding the Vista Ridge Project

B. Briefing and deliberation regarding the 2019 Cost of Service and Rate Design Study
C. Briefing and deliberation regarding the Quarterly Financial Reports

D. Briefing and deliberation regarding 2018 Benchmarking Data

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

29. The Regular Session of the August 6, 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.

30. EXECUTIVE SESSION.


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 Texas Government Code §551.071.

31. The Regular Session of the Regular Board Meeting of August 6, 2019, is hereby reconvened.

32. A Resolution approving Mediation Settlement Agreements with CDM Smith, Inc. and Damien Herrera, P.E.; S.J. Louis Construction of Texas, Ltd. and S.J. Louis, LLC; and Daniel Nishihara, Deborah Danyelle Sanchez, Israel Solis, as Independent Executor of the Estate of Dora Linda Nishihara, Deceased, Claudia Milay Silva and Anthony Villarreal, all in connection with the lawsuit styled Cause No. 2018CI05898; Daniel Nishihara, Deborah Danyelle Sanchez, Israel Solis as Independent Executor of the Estate of Dora Linda Nishihara, Deceased, Claudia Milay Silva and Anthony Villarreal v. CDM Smith Inc. F/K/A Camp Dresser & McKee Inc., Damien Herrera, P.E., S.J. Louis Construction of Texas Ltd., S.J. Louis, LLC and City of San Antonio, acting by and through its San Antonio Water System Board of Trustees, in the 285th Judicial District Court, Bexar County, Texas; authorizing the President/Chief Executive Officer or his duly appointed designee to execute the Mediation Settlement Agreements and to execute all documents and take all actions that are reasonable or necessary to implement the terms of the Mediation Settlement Agreements. (NANCY BELINSKY)

33. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF AUGUST 6, 2019, IS HEREBY ADJOURNED.
MINUTES

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
June 4, 2019, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

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

Board Members Absent:
Ron Nirenberg, Mayor

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on June 4, 2019, and called to order at 9:09 a.m. by Chairman Berto Guerra.

2. Announcements.

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

3. Minutes.

A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of April 2, 2019.
Chairman Guerra asked if there were any corrections to the minutes. Hearing none, he stated the minutes were approved as presented.


None

5. Public Comment.

Alan Montemayor encouraged SAWS as the biggest energy user to cooperate as much as possible with CPS Energy to minimize water and energy use wherever possible. He discussed the climate action plan for San Antonio and the potential joint project between SAWS and CPS Energy for a large solar array and energy storage facility at the H2Oaks Center. He encouraged the use of electric vehicles, especially administrative vehicles.

CONSENT AGENDA ITEMS

Items 6 – 26

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

6. A Resolution accepting recommendations regarding the contracting for certain services, equipment, materials, and supplies, and authorizing the acceptance of bids as follows: (DOUG EVANSON – YVONNE TORRES)

A. Award of New One Time Purchases of Materials, Equipment and Services.

1. Approving a one-time purchase from Hach Co. to provide: Hach luminescent dissolved oxygen probes, Bid No. 19-19031, for a total of $142,826.00.

2. Approving a one-time purchase from Grande Truck Center to provide: four each 11,000 GVWR (minimum) 4x4, single rear wheel, wide and long type bed (no outside fenders) extended, club, double, super cab pickup trucks, Bid No. 19-19039, for a total of $181,412.00.

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

1. Acceptance of the bid of EADS Distribution Co. to provide annual contract for pleated polypropylene cartridge filters, Bid No. 19-19044, for a total of $200,000.00.

2. Acceptance of the bid of Peerless Equipment, Ltd. to provide: annual contract for well maintenance repair services, Bid No. 19-7031, for a total of $1,882,250.00
3. Acceptance of the single source bid of Gillette Air Condition, Inc. to provide: annual contract for mechanical/HVAC system repair services, Bid No. 19-14075, for a total of $301,500.00.

4. Acceptance of the bid of Maldonado Nursery & Landscaping, Inc. to provide: annual contract for lawn maintenance services for SAWS properties, Bid No. 19-14005, for a total of $192,689.20.

5. Acceptance of the bid of BFI Waste Systems of North America, LLC to provide: annual contract for landfilling of biosolids, Bid No. 17-0791, for a total of $400,000.00.

6. Acceptance of the single source bid of Wrico Corporation to provide: annual contract for the purchase of 92% sulfuric acid and associated equipment, Bid No. 19-19019, for a total of $281,500.00.

7. Acceptance of the bid of AmeriTex Elevator Texas, LLC to provide: annual contract for elevator maintenance for SAWS locations, Bid No. 19-2037, for a total of $152,350.00.

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Water and Sewer Line Improvements

7. A Resolution awarding a construction contract to Hass Horizontal, LLC in an amount not to exceed $858,757.71 in connection with the Hwy 90 and Ray Ellison Blvd - Emergency Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

8. A Resolution approving Change Order No. 3 in an amount not to exceed $206,106.62 to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with Micron to Anderson Pump Station Phase 2 – 48-Inch Water Main Project. (ANDREA BEYMER – JOE CARRENO)

9. A Resolution approving Change Order No. 2 in an amount not to exceed $2,707,633.89 to the construction contract with SAK Construction, LLC in connection with the W-1 Temporary Diversion to Medio Creek WRC – Emergency Bypass Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

10. A Resolution awarding a professional services contract to Big Red Dog, a division of WGI, in an amount not to exceed $1,002,064.00 in connection with the Basin Planning Consultants (BPC) Small Diameter Central Sewershed Package 5. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

11. A Resolution awarding a professional services contract to BGE, Inc. in an amount not to exceed $1,613,387.00 in connection with the Basin Planning Consultants (BPC) West Sewershed Package 6. (ANDREA BEYMER – GAIL HAMRICK-PIGG)
12. A Resolution awarding a professional services contract to Halff Associates, Inc. in an amount not to exceed $555,585.00 in connection with the Central Sewershed Package 8. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

13. A Resolution awarding a professional services contract to RJN Group, Inc. in an amount not to exceed $316,300.00 in connection with the Basin Planning Consultants (BPC) Central Large Diameter Package 2. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

14. A Resolution awarding a professional services contract to Alan Plummer Associates, Inc. in an amount not to exceed $1,569,143.00 in connection with the Basin Planning Consultants (BPC) Central Small Diameter Package 4. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

15. A Resolution awarding a professional services contract to Garcia Infrastructure Consultants, LLC in an amount not to exceed $711,723.00 in connection with the Multiple Sewershed Package 14. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

16. A Resolution awarding a professional services contract to LNV, Inc. in an amount not to exceed $989,563.00 in connection with the Multiple Sewershed Package 15 (Railroad). (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Production, Transmission and Treatment Improvements

17. A Resolution awarding a construction contract to Weisinger Incorporated in an amount not to exceed $2,108,970.00 in connection with the Drilling of BGD-14 Project. (ANDREA BEYMER – JUAN GOMEZ)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

18. A Resolution authorizing expenditures in an amount not to exceed $423,787.10 for the adjustment of water facilities by the City of San Antonio in connection with the S. Foster Road Phase I Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

19. A Resolution approving an Interlocal Agreement with Bexar County; authorizing the expenditure of funds in an amount not to exceed $847,314.80 for the adjustment and replacement of water facilities by Bexar County in connection with the Highland Oaks Subdivision Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

20. A Resolution approving Change Order No. 1 in an amount not to exceed $101,584.69 to the existing Interlocal Agreement with Alamo Regional Mobility Authority in connection with the Fischer Road Phase II: IH 35 South to Somerset Road Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)
MISCELLANEOUS ITEMS

21. A Resolution awarding a construction contract to South Texas Buildcon, LLC in an amount not to exceed $111,870.95 in connection with the Dos Rios Administrative Building #17 Roof Replacement Project. (JEFF HABY – CARLOS MENDOZA)

22. A Resolution awarding a professional services contract to Empower Retirement in connection with plan administration and record keeping services for the SAWS 457(b) Deferred Compensation Plan. (DOUG EVANSON)

23. A Resolution approving additional expenditures to the existing professional services contract with Freese and Nichols, Inc. in an amount not to exceed $1,600,460.00 in connection with the Basin Planning Project Consultant Services for the Central Basin. (ANDREA BEYMER – TRACEY LEHMANN)

24. A Resolution approving additional expenditures to the existing professional services contract with Alan Plummer Associates, Inc. in an amount not to exceed $377,700.00 in connection with the Mitchell Lake Wetlands Water Quality Treatment Initiatives. (DONOVAN BURTON – DAN CROWLEY)

25. A Resolution awarding a services contract to Alsay Incorporated in an amount not to exceed $106,476.00 for the period ending December 6, 2019 in connection with the System’s Water Well Mitigation Program. (DONOVAN BURTON – SCOTT HALTY)

26. A Resolution authorizing an increase of the dollar threshold for Individual Board Meeting Agenda Items and amends the Policy for the Conduct of Board and Committee Meetings. (ROBERT R. PUENTE)

Chairman Guerra stated Item 10 was pulled for recusal purposes for Trustee Parra. He asked if there were any other items in the Consent Agenda that should be pulled for individual discussion or consideration.

Ms. Jasso made a motion to approve the Consent Agenda Items 6 – 26, except for Item 10. Mr. Parra seconded the motion.

Consent Agenda Items 6 – 26, except for Item 10, were unanimously approved. Verbal voting.

Chairman Guerra stated he would take up Item 10 next, and Trustee Parra has recused himself from discussion and action on Item 10.

Mr. McGee made a motion to approve Item 10. Ms. Jasso seconded the motion.

After no further discussion, Item 10 was unanimously approved. Verbal voting. Trustee Parra recused himself from the vote on Item 10.
ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

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

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Tracey Lehmann presented Item 27, the Utility Service Agreements (USA) for the QT #4014 Tract and the 214 Hibiscus Tract.

The QT #4014 Tract was in a commercial development located on the northwest side of IH-10 and across from the City of Fair Oaks. The tract came to the Board for consideration in December 2018. The developers came back to request additional water equivalent dwelling units (EDU) for this development and decrease the number of wastewater EDUs. The tract was over the recharge zone, more specifically the contributing zone, and within five miles of Camp Bullis. The tract was also outside of SAWS wastewater CCN. The Winwood Pump Station was to the north of the tract, and there was a 30-inch main going to the pump station. The developer would connect to the 30-inch water main and extend the 12-inch main to the frontage of IH-10. For wastewater, the tract was located outside of SAWS existing wastewater CCN and there was not a formal CCN holder for that area. The developer would be required to extend sewer main approximately 4,500 feet along IH-10 to SAWS existing infrastructure to the south.

The 214 Hibiscus Tract was a residential development located north of Loop 410 near West Avenue and Northwest Military Hwy. The tract came to the Board in May 2018. Since then, the developer purchased additional property and increased the number of water EDUs. The tract would include large acreage lots and was eligible for septic, so the developer was not asking for wastewater service. The tract was within the City of Castle Hills and outside of SAWS water CCN. When BexarMet and SAWS merged there were some gaps in this area. SAWS could serve the tract through a USA. For water, the developer would extend an existing 8-inch water main through their tract for service in order to add the additional lots.

Staff recommended approval of the USAs for the QT #4014 Tract and the 214 Hibiscus Tract.
Mr. Parra made a motion to approve Item 27. Ms. Merritt seconded the motion.

Ms. Hardberger inquired about how the USA would be handled if there were a zoning change and the density increased for the 214 Hibiscus Tract. Mr. Lehmann responded that a large portion of the area was the Boy Scout Ranch, and the tract was within SAWS wastewater CCN so the developer could request sewer service. The tract was inside the city limits of Castle Hills and would go to Castle Hills for zoning. As far as sewer, the tract was 300 feet from SAWS existing sewer main and another reason why the tract was eligible for septic.

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

**Water and Sewer Line Improvements**

28. A Resolution awarding a construction contract to SAK Construction, LLC in an amount not to exceed $2,481,126.00 in connection with the 2018 EARZ CIPP Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Annette Duron presented Items 28 and 29, the award of a construction contract for the 2018 EARZ CIP Project, and the award of a services contract for the Sanitary Sewer Line Smoke Testing in the Edwards Aquifer Recharge Zone, Cycle 5 Contract. Both contracts included work over the Edwards Aquifer recharge zone (EARZ). San Antonio was fortunate to have the Edwards Aquifer as the cornerstone of SAWS water supply. The Edwards was one of the most productive in the world, and although no treatment was required, SAWS added chlorine and fluoride for distribution purposes. Because the aquifer was the cornerstone of the water supply, SAWS goes to great lengths to protect the aquifer that included scheduled requirements for development and a robust sewer inspection program. SAWS enforced stringent requirements for developers of new service over the EARZ.

In 1994, SAWS started to permit existing underground storage tanks (UST) over the recharge zone, and existing and proposed USTs over the transition zone. A city ordinance has not allowed new USTs within the city limits over the recharge zone since 1994. In order to ensure protection of the Aquifer, SAWS performs annual inspections. Under TCEQ rules, SAWS was required to inspect sewer mains, manholes, and service laterals located in the EARZ every five years. CCTV and visual inspections of the sewer mains and manholes were started in the early 90's to determine structural damage or defects that would allow exfiltration. In-line smoke testing was used for the simultaneous inspection of SAWS and privately owned portion of the laterals. She reviewed the assets within the EARZ that included approximately 731 miles of sewer mains, 29,000 laterals, just under 16,000 manholes, 32 lift stations and approximately 14 miles of force mains.

She discussed illustrations of smoke testing procedures and photos of how defects would be identified. The majority of the issues found with inspections were due to broken other missing clean-out caps. CCTV was used to video inspect sewer mains, look for defects, and assess the condition of the pipe. The best repair or rehab method was then selected in order to address any defects.

The scope of work for the 2019 smoke testing contract required the inspection of approximately 1.6 million feet of sewer mains and laterals with an optional six-month
renewal in 2020 to inspect an additional 1.2 million feet. Before smoke inspections begin, SAWS would coordinate with homeowner associations, fire departments, and several entities and would provide information of the process along with contacts to SAWS if customers had any concerns. She reviewed an example of an inspection report and the customer notification letter from SAWS regarding the defects found.

The EARZ CIPP Rehabilitation Project would rehab approximately 6,620 feet of 24-inch sewer main using the cured in-place pipe (CIPP) method. The 2018 EARZ CIPP bid results determined the lowest responsible bidder was SAK Construction, LLC with a bid of $2,481,126.00. The bid represented a 34.4 percent decrease from the engineer's estimate. There was only one bidder for the Sanitary Sewer Line Smoke Testing in the Edwards Aquifer Recharge Zone, Cycle 5 contract. The best value bid was Burgess & Niple, Inc. with a bid amount of $1,010,110.58. The initial base term of the contract was through the end of 2019, with a six-month renewal option in 2020. The amount for the renewal option would be $789,362.43 for 2020.

Staff recommended the award of a construction contract to SAK Construction, LLC for the 2018 EARZ CIPP Rehab Project, and approval of funds in the amount of $2,481,126.00.

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

After no further discussion, Item 28 was unanimously approved. Electronic voting.

29. A Resolution awarding a services contract to Burgess & Niple, Inc. in an amount not to exceed $1,010,110.58 for the period ending December 31, 2019 in connection with the Sanitary Sewer Line Smoke Testing in the Edwards Aquifer Recharge Zone, Cycle 5 Contract. (JEFF HABY – ANNETTE DURON)

Staff recommended the award of a services contract to Burgess & Niple, Inc. for the Sanitary Sewer Line Smoke Testing in the Edwards Aquifer Recharge Zone, Cycle 5 contract, and approval of funds in the amount of $1,010,110.58.

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

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

Chairman Guerra thanked Ms. Duron for her 31 years of service with SAWS.

Ms. Jasso asked if the smoke testing would be done by quadrants in other parts of the city. Ms. Duron replied the cleaning and CCTV was done across the city. The smoke testing was due this year and next year and would be divided up according to the scope of work to inspect those sewer mains over the EARZ with smoke testing.

30. A Resolution awarding a construction contract to D Guerra Construction, LLC in an amount not to exceed $3,826,687.25 in connection with the West Avenue IH-10 to Jackson Keller Rd. Water Main Replacement Project. (ANDREA BEYMER – JUAN GOMEZ)
Dr. Juan Gomez presented Item 30, the award of a construction contract for the West Avenue IH-10 to Jackson Keller Road Water Main Replacement Project. The project was located off West Avenue between IH-10 and Loop 410 in the northwest quadrant of San Antonio. The project would replace approximately 14,000 feet of existing 8-inch, 12-inch, and 16-inch pipe with 8-inch, 12-inch, and 16-inch HDPE pipe through pipe bursting and open cut methods. The oldest pipe dated back to 1950, so 70 years old, and the newest was about 26 years old. There had been 22 work orders in this area between 2004 and 2018. In the last three years, there were seven breaks along the 16-inch water main so this needed to be addressed.

Bids opened and the lowest bidder was D Guerra Construction, LLC with a bid of $3,826,687.25. The bid was 12.4 percent decrease from the engineer's estimate. The SMWVB participation was 82 percent. The contract duration was one year, and the design engineer was Big Red Dog.

Staff recommended the award of a construction contract to D Guerra Construction, LLC for the West Avenue IH-10 to Jackson Keller Road Water Main Replacement Project, and approval of funds in the amount of $3,826,687.25.

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

Mr. McGee inquired about the start date and the date of completion. Dr. Gomez responded it would take about two months for the contractor to mobilize, organize the pre-construction bidding, and submit all the documentation. The engineers’ review the document, and then about two months to mobilize to site so probably around mid-June. The project would then be completed around May, June of 2020.

Ms. Jasso asked about the type of existing pipe. Dr. Gomez replied there were three types of pipe in the system: ductile iron, cast iron, and asbestos pipes. SAWS followed a standard procedure for the proper removal and disposing when there was asbestos pipe.

Mr. Parra inquired about the cost to repair a 16-inch water main. Mr. Brinkmann gave an example of a 16-inch or 20-inch main break on Vance Jackson a couple of years ago. The street repair alone was about $120,000.00 because the asphalt buckled. There was another $50,000.00 for the deep underground excavation to repair the main, so just under $200,000.00 to repair the main and street infrastructure.

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

31. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Vista Ridge Project

Alissa Lockett provided a briefing on the Central Water Integration Pipeline Project, and specifically the progress on the Tunnel to Loop 1604, 5-1 Segment. The critical path projects were on schedule. There were two projects that were not critical path projects, but both were related to getting a contractor on the site that would have a subsequent contractor working on the same site. Even though both projects lagged behind slightly, neither impacted the schedule of the other two contractors working on those sites. The ten million gallon water
storage tank at the Agua Vista site was substantially complete, and the contractor vacated the site and was working on the five million gallon tank at the Bitters Pump Station. At the Maltseberger Pump Station, the contractor doing the tank rehabilitation was working with Archer Western to not impact the areas of the site that Archer Western was working on. Staff was closely monitoring the schedule of the critical path projects, which included Segment 5-1, the Bitters Pump Station, and the Agua Vista Station.

The Tunnel to Loop 1604 segment was the most complicated project. The contract was divided into four reaches so that concurrent work activities could happen on multiple sites. The contractors were working almost 24/7 with one day off a week. Cornerstone Church did not want work at the site on Sunday, and staff was also given a break because some were working 72 hours a week. The Agua Vista Reach was the longest reach, and included a 43-foot deep tunnel entry shaft that was completed. As of May 31, the contractor was 869 feet of a 4,680-foot tunnel. There were multiple tasks on the schedule that had been adjusted to make up some time. The production rate of the tunneling was a critical path in ensuring a certain production rate was met. The Sigma Road Reach was probably one of the simpler parts of the project, but still complicated due to the fact that it was a busy arterial road. The contractor was down to about 20 feet on the Sonterra shaft located at Sonterra and Sigma Road, and had closed the northbound lane of Sigma Road to start trenching. Cornerstone Reach was a 90.5-foot tunnel entry shaft that was taking longer than expected. The contract was looking at other tasks that could be compressed to make up time from the shaft construction. As of last week, about 196 feet was completed, but 180 feet was from the road header. In May, the tunnel boring machine was put into the shaft and was going through the commissioning process. Lastly, Reach 4 was about 500 feet underneath Loop 1604 from Voigt to Cornerstone. About 25 feet of the shaft had been excavated. The contractor had 90 to 100 employees working any given day, so it's quite the production. Staff was monitoring the activities very closely because of the criticality of this project to the overall schedule. She discussed photos of the progress at the Agua Vista Station site and the different reaches for the Tunnel to Loop 1604 segment.

Chairman Guerra asked if the rock excavated and taken off-site was sold or used somewhere else. Ms. Lockett replied the contractors were actually using some of the rock for fill at the Agua Vista site. SAWS released custody of materials and how a contractor disposed of the material, but the contractor had to say how they would dispose of the materials. In this particular case, the contractors have worked out a deal with each other to use some of the rock as fill so that it doesn't all have to be hauled away.

Ms. Merritt inquired about the projected completion date for the projects. Ms. Lockett responded the four reaches were scheduled to be complete by December 31. Some of the tasks took a little longer than expected, and the contractor looked at the overall schedule of tasks to see where they could compress to meet the date required by the contract.

Mr. McGee inquired about the alignment through Hollywood Park and Hill Country Village. Ms. Lockett responded there was an existing 48-inch line that went through Hollywood Park and Hill Country Village, and the connection was near the car wash at Voigt. The connection to that 48-inch line was done back in March. The condition of the existing 48-inch line was testing a couple of years ago and was found to be in pretty good shape. SAWS crews did one point repair during the tie-in, but other than that the line was in good shape.
Mr. Parra asked if the shafts would remain after completion for a maintenance access point. Ms. Lockett replied the actual opening would be reduced and a lid placed to allow access to the pipeline through those shafts for any maintenance or repairs.

Chairman Guerra asked about the protection within the tunnels to prevent a collapse. Ms. Lockett confirmed and referred to the pictures that showed the tunnel support system. As the machines go forward, the tunnel support system was being built so the machine had something to push off of as it propelled forward.

B. Briefing and deliberation regarding the 2019 State Legislative Agenda

Hope Wells provided a briefing and discussed some of the highlights for the 2019 State Legislative Session. The regular session ended on Memorial Day, May 27. There were 7,541 bills filed and only 1,439 passed. SAWS tracked 564 filed bills related not only to water but just general business items such as Human Resources, insurance matters, and contracting. Of course, the Governor's veto period was through June 16.

She recognized the analysts from the various departments within SAWS that provided information on specific bills. Each of the 564 bills that SAWS tracked were assigned to specific analysts depending on subject matters. Decisions on whether to engage and whether to offer an amendment were based on the responses from the analysts. She thanked everyone for their efforts and also those that came to testify in support or in opposition to legislation.

She gave an overview of the major issues that dominated the session. House Bill 3 was the school finance overhaul that included increased funding for a number of programs such as full-day Pre-K for low income students, teacher pay raises, reduction recapture, and increased paid share of education to reduce property taxes. Senate Bill 2 was passed as the Texas Property Tax Reform and Transparency Act, and included more information and participation by local taxpayers in the appraisal and rate setting process. SB2 also set the tax rollback rate at 3.5 percent for most taxing entities. There were Disaster Recovery bills passed related to funding as well as processes for responding to a disaster. There were a number of bills related to requiring alerts for dam releases during flooding, debris management, which was a big Post-Harvey item on the legislative agenda, and Department of Emergency Management coordination of planning for local governments. Essentially because of resolution on those leadership priorities, a Special Session was not expected.

SAWS had a largely successful session with three of the major agenda items passed that included the Transfer Permit Extension, Brackish Groundwater Regulation, and Flexibility on the use of the Edwards. The only item that did not pass was the EAA military use exemption that was Senate Bill 881 by Senator Donna Campbell. The bill would have allowed SAWS to enter into an agreement with the military to provide service in lieu of the military’s Edwards pumping but would not have counted against SAWS permit. The bill passed the Senate as well as the House Committee on Natural Resources, but ultimately was not set on the House calendar.

The Transfer Permit Extension under House Bill 1066 was authored by Representative Trent Ashby and sponsored by Senator Charles Perry. The item was a recommendation of the
Texas Water Conservation Association (TWCA), which supported the bill and showed a consensus. She noted that this bill was vetoed last session by the Governor. During the interim, TWCA made some revisions to address those concerns. Last session the bill required an automatic extension of the transfer permit, whereas the revised bill required district action to effect the extension which provides for more public knowledge and also lines up with existing statute for operating permits. HB 1066 had been signed by the Governor and would be effective September 1.

Brackish Groundwater under House Bill 722 was authored by Representative Lyle Larson and sponsored by Senator Perry. The bill was a TWCA recommendation this session because enough stakeholder support was built to reach the level of consensus needed for TWCA. The item was vetoed last session by the Governor, but TWCA worked to revise language on those concerns. Particularly, the biggest item was including some directive on what the rules were supposed to do such as simplify procedure, avoid delay, save expense, and provide flexibility for the permittees. The bill specifically required districts to create rules in brackish groundwater production zones, and those zones were specifically identified by the Board as areas where there was brackish available, was not being utilized for some other purpose, and had protection between the fresh and brackish water. The permits had to be consistent with what the Board said was available, a minimum 30-year term, and reasonable reporting and monitoring requirements. The bill did allow districts to pull back on the permit if there were results that showed a negative impact. The bill also required that the districts consider the brackish supply separately from fresh and the desired future conditions process. HB 722 had been sent to the Governor for action.

Flexible use of Edwards water under House Bill 1806 was authored by Representative Tracy King and sponsored by Senator Campbell. The bill would allow use of Edwards water in certain circumstances outside the boundaries of the authority, where under previous law was prohibited. The bill was designed to allow utilities to optimize Edwards water to serve customers where it's efficient and cost effective to do so, and would allow SAWS the opportunity to enter into limited wholesale agreements to help neighboring communities. The bill did undergo some negotiated revisions during the session to address concerns. Ultimately, it provided that utilities who were initial EAA permit holders could utilize Edwards water to serve customers in counties that were adjacent to the boundaries of the EAA as long as those customers were within the utility’s CCN. Another addition would authorize SAWS to sell wholesale up to 6,000 acre-feet of Edwards water in counties that were adjacent to Bexar County with limitations of the sale to a retail public utility or river authority. If the sale was in Kendall County, anything above 1,500 acre-feet required the consent of the Kendall County Commissioners Court. This would allow the local government to be involved in agreements in their area. There were some efforts underway to urge the Governor to veto the bill. Staff would keep the Board informed on that process.

Chairman Guerra asked about the concerns with the bill. Ms. Wells replied the main concern expressed was just the concept of being able to utilize the water outside the boundaries.

Ms. Wells reviewed other bills of interest. There were several bills that passed relating to the EAA. First was House Bill 2729 by Representative Minjarez and sponsored by Senator Campbell. The bill was developing prior to the session on the Edwards Act and evolution of the act. The bill was proposed by EAA in response to concerns that their current exemption
from a lot of the provisions in Chapter 36 created confusion. The EAA was concerned that the very specific provisions of the EAA Act could hinder the development of Chapter 36 overall because of the constant need to differentiate between the EAA and other districts. The bill removed the applicability of Chapter 36 from the EAA Act, but incorporated the provisions of Chapter 36 that the district needed for their management into the act. Along the way, there were a couple of things that were added to the bill through the legislative process. There was a cap of eight percent per year on any increase to Aquifer Management Fees. There was also a provision added relating to attorneys' fees recovered by districts would continue to govern the EAA. The third was a biannual report to the Edwards Aquifer Legislative Oversight Committee prior to the start of each session where the districts would report on the act, implementation, and need for change to keep the legislature in the loop. 

The second bill passed about EAA generally was House Bill 3656 by Representative Murr and sponsored by Senator Pete Flores. The bill codified the district base irrigation conversion processes in the EAA Act. The bill was negotiated with parties and stakeholders that were involved in ongoing litigation with the Act regarding process rules. As part of the negotiation, the bill codified the process, confirmed and validated the actions of the EAA already taken on conversions, and provided a contested case process for future conversions.

She discussed the flood bills passed this session. Senate Bill 7 authorized by Senator Creighton and sponsored by Representative Phelan created two different funds, the Infrastructure Resiliency Fund and the Flood Infrastructure Fund. Both provided grants and loans for drainage flood mitigation and flood control process in the state. The Flood Infrastructure Fund was contingent on the passage of a Constitutional Amendment on the November ballot. Senate Bill 8 authored by Senator Perry and sponsored by Representative Larson created the state's flood planning process that was modeled after the state's current water planning process. A regional flood planning group would develop local plans, and those would be incorporated into a state flood plan by the Texas Water Development Board (TWDB). The TWDB would appoint initial regional groups. The statute specifically listed utilities as one of the entities needed in the process. Senate Bill 8 also required the Soil and Water Conservation Board to develop a 10-year plan for maintenance and rehabilitation of flood dams within their jurisdiction. The money portion was appropriated for these different funds and processes in the Supplemental Appropriations Bill, which calls for transfer from the Economic Stabilization Fund, or Rainy Day Fund, of an amount of almost $1.7 billion.

She reviewed other general water bills of interest. House Bill 807 by Representative Larson and sponsored by Senator Don Buckingham required the TWDB to develop an Interregional Planning Council made up of at least one member of each regional planning group. This would provide better coordination among the regional planning groups, allow them to share best management practices, and add new requirements for consideration in the development of regional water plans. House Bill 720 authored by Representative Larson and sponsored by Senator Perry added an expedited process for new or amended water rights for ASR projects. There were three or four other ASR bills that passed the session on funding and studies. Whenever ASR was discussed, San Antonio was often mentioned as an example of success with ASR and why it's important that the state continues to study it. Senate Bill 520 by Senator Campbell and sponsored by Representative Kuempel made changes to both the EAA Act and the Water Code to facilitate New Braunfels Utility proposed ASR project.

Some of the other areas of interest or concern during the session included eminent domain,
contracting, authority over water rates and other groundwater bills. These did not necessarily have bills passed, but staff would continue to monitor these issues as interim charges develop. A lot of times bills that did not pass during the session end up part of charges, and staff would participate in any discussions and work on those issues that develop over the interim and into the next session.

Ms. Merritt inquired about more reasonable monitoring requirements as related to the Brackish Groundwater bill under HB 722. Ms. Wells replied that had been one of the issues in developing brackish because what the permit applicant and what the districts believed were reasonable could be pretty different. The bill provided the TWDB as a third party to determine what would be reasonable based on the available water and how the zone was configured, and the TWDB would provide a report to the groundwater district.

Ms. Jasso asked about the interest statewide for the flood bills to be part of a Constitutional Amendment on the ballot in November. Ms. Wells replied the amendment would present approval of the fund to be created. There was a lot of public interest because of everything that went on with Hurricane Harvey but also the flood events that occurred all over the state. She noted that only one of those funds was actually subject to the Constitutional Amendment, the Texas Infrastructure Resiliency Fund created in Senate Bill 7 was not subject to the Constitutional Amendment.

Mr. Puente commented on the consensus achieved with the TWCA, a statewide entity with a lot of different types of water users as part of the association. Getting TWCA consensus on legislation almost means that the bill would pass out of the legislature. He acknowledged Ms. Wells leadership as president of the TWCA and the hours she and Blair Parker have put in towards the end of the session. Since 1997, Hope had been working on water issues for the State of Texas, so she was well recognized throughout Texas and the legislators as someone that knows water.

Chairman Guerra also recognized staff for the amount of work and time spent reviewing and tracking the bills, and building relationships with all of the representatives and senators. He stated he wanted the team to know how much they were appreciated for what they do for the organization, for the city, and for the citizens.

C. Briefing and deliberation regarding the 2019 Cost of Service and Rate Design Study

Doug Evanson provided an introduction for the 2019-2020 Rate Study and some of the trends impacting a rate study and rate design process. He discussed several charts that included data from 2013 through 2018. The monthly average water usage for the residential class declined about 13 percent, while the total use per bill declined from 11,455 gallons to 10,567 gallons for a total reduction of about 8 percent. This reduction continues a longer term trend that customer were responding to SAWS conservation message. Customers were also responding to rates and reducing water usage. The residential average winter consumption was the basis for residential wastewater bills. Since 2013, there was a more pronounced reduction of almost 20 percent with seven percent alone in 2019. There was continued growth for both water and wastewater customers at a steady rate of roughly 1.5 percent per year or about eight percent since 2013. Metered water sales have really been fairly constant.
Water delivered has been about 62.9 billion gallons at the low and the high of 65.6 billion gallons. Wastewater treated ranged from about 49 billion gallons to just under 51 billion gallons.

He reviewed the rate study process. The foundation of this whole process was establishing objectives, policies, and rate setting principles. Staff would need the Board’s and the Rate Advisory Committee’s (RAC) guidance on those objectives, policies, and rate setting principles. The basis for identifying SAWS’ revenue requirements would largely be the 2019 budget. To determine cost allocation, the driver of each cost category would need to be identified and the cost allocated to those customers or class of customers that were primarily driving that cost. The term cost of service was the result of the cost allocation process. The final piece of the process was the rate design where the rates would be designed to meet the cost of service objectives.

Obviously, establishing objectives was the important first step in the process. Staff would work with the RAC and the Board early in the process to identify and prioritize the objectives that would provide the basis for the rate study recommendations. He discussed some of the objectives and possible results. Affordability, conservation, and cost of service were extremely important objectives. Sometimes objectives compete with other objectives. Other objectives included customer impact, drought management, financial sufficiency and stability, and simplicity. During the process, staff would work with the RAC to try to balance the competing objectives and come up with the right blend to meet the objectives set forth, but one of the first things would be to determine which of the objectives was the most important.

The 2019 annual budget had been designed and developed in a manner prescribed by SAWS founding ordinance and bond covenants to ensure the gross revenues of the System were sufficient to meet Operations and Maintenance (O&M) charges first, Debt Service and Reserve Fund Requirements second, transfers to the City, third and finally, any surplus would be transferred to the Renewal & Replacement Program. Out of the 2019 budget about $343 million was O&M charges, about $237 million was Debt Service & Reserve Refund Requirement, a little less than $20 million was transferred to the City of San Antonio, and about $218 million was currently transferred to the Renewal & Replacement Program. The amount to the Renewal & Replacement Program was a little bit higher because of the funding needed for the Operating Reserve in connection with the Vista Ridge water coming online in 2020. He reviewed a breakdown of the sources of funds by the various core businesses, water supply, water delivery, and wastewater. About 88 percent of operating revenues met the requirements with the remainder being met by some interest earnings as well as impact fee collected. Of those charges, the rate study process would focus on water and sewer charges, recycled charges, and affordability. He discussed a breakdown of the results from the last cost allocation initiative that showed the level of water usage correlates fairly strongly to the actual water sales in dollars. Specifically, residential class customers used 55.5 percent of the water in 2018 and contributed to 56 percent of the water sales revenue. If the irrigation and the general class customers were added together, both used about 44 percent of the water and generated about 43 percent of the revenue. Due the cost of service principles that were implemented, residential customers paid a slightly higher effective rate than either general class or wholesale customers on the wastewater side.
Mr. Evanson discussed a typical residential bill that averaged 6,573 gallons of water use and around 5,200 gallons of wastewater usage. The usage was based on the average over the last five years. There were also components of the bill that were fixed or volumetric. The water service charge was a fixed charge; however, the water volume charge was a volumetric charge as well as the water supply fee. Similar on the sewer, the sewer service charge was a fixed charge and the sewer volume charge was volumetric. Other differential in certain rates were the inside city limits (ICL) and outside city limits (OCL) rates. On the water delivery side, the differential was about 30 percent more for OCL customers for water delivery. The water supply fee was the same for ICL and OCL customers. On the sewer side, there was about 20 percent differential on the sewer service charge and the sewer volume charge. Also included in the monthly bill was the City of San Antonio stormwater fees. SAWS had nothing to do with the establishment of that fee charged that was dictated by the City of San Antonio. The stormwater fee was a fixed amount based on the amount of impervious cover. Other charges included pass through fees for both the EAA and the TCEQ. In total, SAWS generated about 29 percent of operating revenue requirements from fixed sources. The fixed contribution for the residential class was slightly greater than the commercial class, and the residential class had more variability in usage patterns than the commercial class customers.

He reviewed the existing residential water rate structure. The lifeline supply rate was defined as 2,992 gallons or four ccf. If a customer stayed below the lifeline supply rate, then the fixed charge would be $10.25 and could go up to $12.82 for usage above four ccf. The rate per 100 gallons also increased as usage increased. The first 2,992 gallons were charged $0.1780 per 100 gallons. If usage was in excess of 20,000 gallons, the customer paid 6.5 times the volumetric rate for the amount of water above 20,000 gallons than for the lowest block of water. The residential customer bill distribution by rate block showed 32 percent of the bills were in Block 1 in 2018. Blocks 1 through 3 or less than 6,000 gallons were 66 percent of all residential bills in 2018. Block 8 was 2.8 percent and Block 7 was three percent. In total over the course of 2018, less than six percent of residential bills reached Block 7 and Block 8 or were in excess of about 15,000 gallons. There was some variability in the residential water usage. Usage would go up for a hot, dry month, and usage would go down for a cold, wet month. Over the last 12 months, the most water was sold in September and the least in March. September would reflect August usage and March would reflect February usage. There were also various meter sizes that correlated to a fixed charge, and there were slightly different meter charges in the general class compared to the residential class. More than 80 percent of the bills were 5/8 inch meters and almost seven percent were 3/4 inch meters.

He discussed the differences in rate structures for Austin, Dallas, Houston and San Antonio. SAWS had a higher percentage of revenue generated with fixed charges, which was beneficial during wet periods. SAWS had a lower volumetric charge, particularly in the low volume usage, and the rates for 6,000 gallons were slightly less than Austin and Houston. The conservation or price signal got pretty aggressive in excess of 20,000 gallons of water. Between 5,000 and 20,000 gallons of water, SAWS rates were the second lowest behind Dallas. SAWS rate structure started assessing slightly more progressive charges beyond 20,000 gallons, and was higher than anybody but Austin in the residential class. For the existing general class water rate structure it was a little bit different. SAWS had a base excess structure that had a higher fixed charge and was more progressive fixed charge ratio as well.
For the general class rate structure, SAWS had a higher fixed charge than both Houston and Dallas, and had a more progressive fixed charge. He noted that Austin had a slightly lower volumetric rate for certain large volume customers. On the existing irrigation water rate structure, the commercial class had to have an irrigation meter. The volumetric rate for irrigation started at almost 60 cents per 100 gallons and went all the way up to $1.35 per 100 gallons. SAWS had the most progressive commercial irrigation rate structure of any one of the four largest cities in the state. The differential was even greater in the really high usage levels.

He reviewed the next steps for the rate study process. Staff would bring a recommendation to the Board for a rate consultant at the July meeting. Staff was soliciting nominations for the RAC, and hoped to have a recommendation to the Board at the September meeting. Nominations would be taken from the Board and City Council Members. The RAC would begin meeting monthly starting in October and go through May of 2020.

Ms. Hardberger commented on the cost of service and the notion of a reasonable rate of return, and the fact that SAWS was a nonprofit. Balancing the price signaling for high usage was critically important, but had to be done within a rate of return framework. She commented on the huge time commitment for individuals considered for the RAC, and those individuals needed to be in the meetings from October all the way until May. She stated the Board should provide guidance to prioritize the objectives for the RAC as they go through the process. She asked for regular briefings of the rate study process and that the Board receive the agendas for the various RAC meetings.

Ms. Jasso asked that staff brief each Council Member so everyone was on the same page. Mr. Evanson replied that he had not met specifically with Council Members yet. Today’s briefing was an introduction. Staff certainly wanted to get in front of the Council Members, and would work with our communication folks to coordinate those briefings.

Mr. McGee stated this would be his first opportunity to go through the rate structure process as a member of the Board. He inquired about the process to discuss the objectives, policies, and rate-setting principles. Chairman Guerra responded the Board did not have a formal process but would set one up.

Ms. Hardberger commented on the Board receiving input from the RAC to set the prioritization of objectives. Mr. Evanson responded that one of the first tasks would be to form the RAC and help them understand the rate study process before starting to set objectives. He discussed coming back to the Board early in the process to see whether the RAC’s evaluation and prioritization of objectives were consistent with the Board’s direction.

Chairman Guerra agreed that it would be a good process to set up the RAC first, then set up the known objectives to be attained, and present the objectives to the Board for guidance moving forward. A process would be set up to allow the Board to interact and then turn it back over to the RAC because it should be their process, not ours. The Board would then approve or disapprove.

Mr. Parra stated it was also his first time going through this process and that it would be helpful to see a copy of the prior rate study. Mr. Evanson responded the prior rate study was
posted on the website and he would get a hardcopy to the Board, if preferred. He commented affordability was going to be a huge issues during this process. In the last study, the priority of affordability was probably not as high as it needed to be, but would be a higher priority during this process based upon the direction heard from both Council Members and the Board.

Mr. Parra commented on the amount of water used per household versus the number of people in a household that could affect the concept of affordability. Mr. Evanson agreed. These were different ideas from other communities. One of the focuses in the rate consultant interviews was to make sure that the firm had a lot experience and could bring some of the best ideas being used around the country.

Mr. Puente added that letters were sent yesterday to Council Members advising them of the rate study process, and asking for input as far as appointments to the RAC. Staff would work to balance the members and make sure all the community interests were represented. And, of course, the Board's nominations would be appreciated.

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

Mr. Parra commented on SAWS videos on how to detect a leak that were produced by SAWS team and available on social media. He congratulated the team and stated the little details like that go a long way on making us better at conservation.

At this point in the meeting, an Executive Session was held. The time was 11:05 a.m.

33. The Regular Session of the June 4, 2019, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed pursuant to Sections §551.071 and §551.074 of the Texas Open Meetings Act.

34. EXECUTIVE SESSION.

A. Deliberation and consultation with attorneys regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer pursuant to Texas Government Code §551.074 and §551.071, respectively.

B. Consultation with attorneys regarding legal issues related to consent to the creation of Water Control Improvement Districts by Red Bird Legacy Ranch LP in Bexar and Medina Counties, Texas 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 Texas Government Code §551.071.

35. The Regular Session of the Regular Board Meeting of June 4, 2019, is hereby reconvened.
The meeting reconvened at 11:44 a.m. The Chairman stated that no decisions were made in Executive Session.

36. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JUNE 4, 2019, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of June 4, 2019, adjourned at 11:44 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: August 6, 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>
<tbody>
<tr>
<td></td>
<td>Number of Contracts (SMWB)</td>
<td>Estimated Amount (SMWB)</td>
</tr>
<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

SMWB Purchasing Contracts (percentage)  
16.67% | 41.47% | 19.05% | 16.36%

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 6th day of August, 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>1. Dahill Office Technology Corporation dba Xerox Business Solutions Southwest</td>
<td>Best Value Bid for Print Shop Upgrade Bid No. 19-1148</td>
<td>All</td>
<td>$725,158.33</td>
<td>This contract will be utilized for the purchase of two printers, and software for operating the print shop with printer management tools. An eight (8) year maintenance plan for the new equipment and software system is included.</td>
</tr>
<tr>
<td>2. Warehouse Rack Co., LP</td>
<td>One Time Purchase and Installation of Shelving Bulk Racking and Pallet Racking Bid No. 19-19065</td>
<td>All</td>
<td>$152,215.00</td>
<td>This is a one time purchase and installation of industrial shelving, bulk racking, and pallet racking for multiple new buildings located at Eastside Service Center and Northwest Operations Center.</td>
</tr>
<tr>
<td>3. ASCO Equipment</td>
<td>Purchase of a Used Excavator Track Crawler Mounted, Hinge Boom, Minimum 82,000 lbs. Operating Weight with Attachments Bid No. 19-19067</td>
<td>All</td>
<td>$330,000.00</td>
<td>This unit is part of the 2019 equipment addition to the Fleet Department. This equipment will be used to assist SAWS employees in performing critical and non-critical job functions and thus results in annual savings.</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pure Technologies, US, Inc. Wachs Water Services</td>
<td>Annual Contract for Air Release Preventive Maintenance Services Bid No. 19-19049</td>
<td>All</td>
<td>$202,250.00</td>
<td>This is a new Single Source contract. This contract will be utilized by System to provide Air Release Preventive Maintenance Services for the System Distribution and Collection. The air release valves installed throughout System service areas and will be used to eliminate accumulation of air at high points. This contract will be effective Date of Award (August 6, 2019) through December 31, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of one (1) additional six month option to extend as provided for, and approved in future years budgets.</td>
</tr>
<tr>
<td>2. Tenoch Distribution, LLC (WBE)</td>
<td>Biennal Contract for Fire Hydrants Bid No. 19-0011</td>
<td>All</td>
<td>$1,307,136.70</td>
<td>This is a new contract for SAWS. SAWS issued the bid to 7 vendors directly via e-mail. The bid was also posted on the SAWS and Demand Star (Onvia) websites. This contract requires specialized, technical services and there are limited vendors available in this area to perform this type of work. Only one bid was received from Pure Technologies dba Wachs Water Services. Wachs Water Services has performed many different contracts for SAWS and has performed well. Recommend Award.</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Brenntag Southwest, Inc.</td>
<td>Short Term Contract for the Purchase and Delivery of 12.5% Sodium Hypochlorite Solutions</td>
<td>All</td>
<td>$435,000.00</td>
<td>This is a new contract. This contract will be utilized by System for the purchase and delivery of 12.5% Sodium Hypochlorite Solution. This contract will be effective Date of Award (August 6, 2019 through December 31, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of one (1) additional six month option to extend as provided for, and approved in future years budgets.</td>
</tr>
</tbody>
</table>

$1,944,386.70

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

Board Date: August 6, 2019
Best Value Bid for
Print Shop Upgrade: Bid No. 19-1148

SUPPLEMENTARY COMMENTS:

Staff recommends that the contract be awarded to Dahill Office Technology Corporation dba Xerox Business Solutions Southwest as the bidder who will provide the goods or services at the best value for the Water System based on the selection criteria set forth below. Price and other factors have been considered. In determining the “best value”, the Evaluation Criteria listed below have been considered and weighted as shown.

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

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

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Bidder’s Pricing</td>
<td>40</td>
</tr>
<tr>
<td>b. Equipment and Quality</td>
<td>25</td>
</tr>
<tr>
<td>c. References/ Similar Prior Experience</td>
<td>20</td>
</tr>
<tr>
<td>d. Small, Minority and Woman Business Program Compliance</td>
<td>15</td>
</tr>
</tbody>
</table>

TOTAL 100

SAWS received bids from the following companies:

<table>
<thead>
<tr>
<th>No.</th>
<th>Bidders Name</th>
<th>Bid Amount</th>
<th>BVB Score</th>
<th>Local/ SMWB</th>
</tr>
</thead>
</table>
| 1   | Dahill Office Technology Corporation dba Xerox Business Solutions Southwest | Hardware: $135,017.86  
Software: $20,716.47  
Training: Included  
Maintenance: $569,424.00  
TOTAL: $725,158.33 | 362 Points | Local/ Non-SMWB |
| 2   | Konica Minolta Business Solutions USA Inc.        | Hardware: $126,972.92  
Software: $29,115.32  
Training: $4,700.00  
Maintenance: $654,597.00  
TOTAL: $815,385.23 | 301 Points | Local/ Non-SMWB |
| 3   | UBEIO Business Services                           | Hardware: $145,796.00  
Software: $32,898.00  
Training: Included  
Maintenance: $887,680.00  
TOTAL: $1,066,374.00 | 222 Points | Local/ Non-SMWB |

*Bidder offering the best value.
-No Bids Received: Toshiba, Insight, and Knight Office Solutions
-Non Responsive Bids: CTWP (Incorrect Price Schedule Submitted) and Ricoh (Equipment exceeded the space available.)

Additionally, the overall SMWVB analysis is shown in the following table:
PERIOD OF AWARD
The contract will be awarded for the removal of trade in equipment, purchase of Print Shop Upgrade equipment and installation and includes an 8 year maintenance plan for each piece of equipment.

In determining the best value staff considered relevant criteria specifically listed in the request for bid. Staff has determined that Dahill Office Technology Corporation dba Xerox Business Solutions Southwest will provide services at the best value to SAWS.
# SAN ANTONIO WATER SYSTEM

## TABULATION OF BIDS

### One Time Purchase and Installation of New Industrial Shelving

- **Bulk Racking and Pallet Racking**

<table>
<thead>
<tr>
<th>TIME &amp; DATE</th>
<th>3:00 p.m., June 10, 2019</th>
</tr>
</thead>
</table>

### ITEM NO DESCRIPTION AND APPROXIMATE QUANTITY

#### GROUP 1 - EASTSIDE OPERATIONS CENTER ADMIN & FLEET BLDG.

1. **Closed Industrial Steel Shelving, SH-3A**
   - Mfg. Uline or approved equivalent Model H-4354
   - Size: 48"W x 24"D x 87"
   - **MATERIAL**: 332.00
   - **INSTALL**: 28.00
   - **TOTAL**: 3,600.00

2. **Closed Industrial Steel Shelving, SH-3A**
   - Mfg. Uline or approved equivalent Model H-4354
   - Size: 48"W x 24"D x 87"
   - **MATERIAL**: 322.00
   - **INSTALL**: 28.00
   - **TOTAL**: 996.00

3. **Closed Industrial Steel Shelving, SH-3A**
   - Mfg. Uline or approved equivalent Model H-4354
   - Size: 48"W x 36"D x 96"
   - **MATERIAL**: 292.00
   - **INSTALL**: 48.00
   - **TOTAL**: 1,460.00

#### TOTAL PRICE GROUP 1

- **TOTAL**: 6,380.00

#### GROUP 2 - NORTH WEST OPERATIONS CENTER ADMIN BLDG.

1. **Closed Industrial Steel Shelving, SH-3A**
   - Mfg. Uline or approved equivalent Model H-4354
   - Size: 48"W x 24"D x 87"
   - **MATERIAL**: 332.00
   - **INSTALL**: 28.00
   - **TOTAL**: 3,600.00

2. **Closed Industrial Steel Shelving, SH-3A**
   - Mfg. Uline or approved equivalent Model H-4354
   - Size: 48"W x 24"D x 87"
   - **MATERIAL**: 332.00
   - **INSTALL**: 28.00
   - **TOTAL**: 996.00

3. **Closed Industrial Steel Shelving, SH-3B**
   - Mfg. Mecalux or approved equivalent, Model 6940
   - **MATERIAL**: 292.00
   - **INSTALL**: 48.00
   - **TOTAL**: 2,044.00

#### TOTAL PRICE GROUP 2

- **TOTAL**: 14,120.00

#### GROUP 3 - EAST SIDE OPERATIONS CENTER SUPPLY BLDG SHELVING

1. **Closed Industrial Steel Shelving, SH-3B**
   - Mfg. Mecalux or approved equivalent
   - Size: 48"W x 36"D x 96"
   - **MATERIAL**: 337.00
   - **INSTALL**: 48.00
   - **TOTAL**: 3,740.00

2. **Pallet Shelving, 3 Beam Levels Pallet Storage - 5000 lbs. SH-3C**
   - Mfg. Mecalux or approved equivalent
   - Size: 96"W x 42"D x 120"
   - **MATERIAL**: 337.00
   - **INSTALL**: 46.00
   - **TOTAL**: 2,298.00
## SAN ANTONIO WATER SYSTEM

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

### TABULATION OF BIDS

**Proposal for Time Purchase and Installation of New Industrial Shelving**

**Bulk Racking and Pallet Racking**

**Time & Date:** 3:00 p.m., June 10, 2019

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>MATERIAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>Pallet Shelving with Lower Bulk Storage, 2 Beam Levels Pallet Storage</td>
<td>579.00</td>
<td>77.00</td>
<td>1,925.00</td>
</tr>
<tr>
<td></td>
<td>Mfg. Mecalux or approved equivalent</td>
<td>SIZE: 96&quot;W x 42&quot;D x 192&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Pallet Shelving, 3 Beam Levels Pallet Storage - 5000 lbs., SH-3E</td>
<td>416.00</td>
<td>50.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td></td>
<td>Mfg. Mecalux or approved equivalent</td>
<td>SIZE: 96&quot;W x 42&quot;D x 192&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Pallet Shelving with Lower Bulk Storage, 2 Beam Levels Pallet Storage</td>
<td>477.00</td>
<td>67.00</td>
<td>335.00</td>
</tr>
<tr>
<td></td>
<td>Mfg. Mecalux or approved equivalent</td>
<td>SIZE: 96&quot;W x 42&quot;D x 192&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Rack Bulk Shelving Galvanized Panels, 3 shelves, SH-3G</td>
<td>280.00</td>
<td>48.00</td>
<td>3,920.00</td>
</tr>
<tr>
<td></td>
<td>Mfg. Mecalux or approved equivalent</td>
<td>SIZE: 48&quot;W x 36&quot;D x 96&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Closed Industrial Steel Shelving, SH-3H</td>
<td>464.00</td>
<td>41.00</td>
<td>5,092.00</td>
</tr>
<tr>
<td></td>
<td>Mfg. Uline or approved equal</td>
<td>SIZE: 48&quot;W x 24&quot;D x 87&quot;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL PRICE GROUP 3

TOTAL: 131,715.00

### TOTAL GROUPS 1-3

TOTAL: 152,215.00

**Terms:** Net 30 days

**Delivery Days:** 6 weeks

---

**BID NOT TABULATED INCOMPLETE BID**

---

**LOW BIDDER**

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

1i Group
Alaron Supply
Grainger
Industrial Shelving Systems
Material Handling Solutions
Precision Warehouse Design
Professional Filing Systems, Inc.
San Antonio Industrial Supply
Shelving Ideas
Southern Acquisitions
Southwest Solutions Group
Uline
Warehouse Rack
Western Park Storage Systems
WW Cannon

---

Demandstar
SAWS Website
Bid No. 19-19065 solicited Formal Bids for a one time purchase and installation of industrial shelving, bulk racking, and pallet racking. The purpose of this purchase is to install new standard industrial shelving, bulk racking, and pallet racking at SAWS' locations in the Eastside Service Operations Center and North West Operations Center facilities.

The Formal Bid was sent to 15 vendors on the email bidders list. The Formal Bid was also posted on the SAWS and Demand Star websites for the appropriate NIGP codes. Sixteen companies appeared on The Interested Firms List for this bid on the SAWS website. Three vendors attended the pre-bid conference but only two vendors responded to the bid opening. One bid was deemed responsive and the other vendor nonresponsive due to submitting an incomplete bid. One vendor did respond by email prior to the bid opening that their company could supply the items but not complete the installation. The SAWS user reviewed the responsible bid and recommended to proceed with the award.

A review of bid tabulation 16-16006 Shelving was conducted for market research. This award was also a single source award to the same vendor for the same requirement as 19-19065. The average unit price per item proposed by Warehouse Rack, Co. LP. for Bid 19-19065 is 14% higher than the awarded bid for 16-16006. Considering the increased cost of steel and raw materials, increased manufacturing cost, and lack of competition in the market the increase in price is fair and reasonable.

Warehouse Rack, Co. LP is the single responsible bidder in response to Formal Bid 19-19065. The vendor's performance for the previous contract with SAWS was more than satisfactory. The risk of awarding to Warehouse Rack, Co. LP is minimum to SAWS.

Please submit for one time purchase total of $152,215.00 for August Board Approval.
**SAN ANTONIO WATER SYSTEM**  
**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

**PROPOSAL FOR:**  
Purchase of a Used Excavator Track Crawler Mounted, Hinge Boom, Minimum 82,000 lbs. Operating Weight with Attachments  
**TIME & DATE:** 3:00 p.m., June 4, 2019

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Excavator Used, track crawler mounted, hinge boom, minimum 82,000 lbs. operating weight with attachments, complete, per specifications</td>
<td>330,000.00</td>
<td>330,000.00</td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th>Manufacturer/Model</th>
<th>Terms</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case CX350</td>
<td>Net 30 days</td>
<td>15 days</td>
</tr>
<tr>
<td>2019 John Deere</td>
<td>Net 30 days</td>
<td>60-90 days</td>
</tr>
<tr>
<td>New Volvo</td>
<td>Net 30 days</td>
<td>90 days</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>Net 30 days</td>
<td>60 days</td>
</tr>
<tr>
<td>Komatsu</td>
<td>Net 30 days</td>
<td>120-150 days</td>
</tr>
</tbody>
</table>

*LOW BID

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

- ASCO Equipment  
- H&V Equipment  
- Holt TX  
- Nueces Power Equipment  
- RDO Equipment  
- Romeo Equipment  
- Waukesha Pearce  
- WPI

**BID NOT TABULATED**

**SPECIFICATIONS**
## SAN ANTONIO WATER SYSTEM

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

**PROPOSAL:** Annual Contract for Air Release Preventive Maintenance Service  
**FOR:**  
**TIME & DATE:** (Date of Award through December 31, 2019)  
3:00 p.m., June 10, 2019

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Assess and Perform Preventive Maintenance to an Air Release Assembly, including all work required by the specifications under the Scope of Services</td>
<td>285.00</td>
<td>162,450.00</td>
</tr>
<tr>
<td>2.</td>
<td>Confined Space Entry to Perform the Work on an Air Release Assembly installed within a manhole or vault</td>
<td>65.00</td>
<td>37,050.00</td>
</tr>
<tr>
<td>3.</td>
<td>Provide Police Officer Services when required by the Governing Right-of-Way Agency</td>
<td>65.00</td>
<td>1,950.00</td>
</tr>
<tr>
<td>4.</td>
<td>Provide a Traffic Control Plan when required by the Governing Right-of-Way Agency</td>
<td>800.00</td>
<td>800.00</td>
</tr>
</tbody>
</table>

**TOTAL**  
202,250.00

**EXTENSION 6 MONTHS**  
202,250.00

**Terms**  
Net  
30 days

**Delivery Days**

*LOW BIDDER*

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

- Burgess Niple
- ME Simpson
- Mueller Co.
- R&M Services Solutions
- RJN
- Utility Service
- Wachs

- Demandstar
- SAWS Website
Bid No. 19-19049 solicited bids for the purchase of annual contract for air release preventive maintenance services for the SAWS Distribution and Collection system. The air release valves installed throughout SAWS service area are used to eliminate accumulation of air at high points. Releasing this air helps to maintain the water mains full for optimal operation and reduces surge pressure effects associated with sudden velocity changes due to accumulation of air. There are about 4,000 air release valves distributed throughout SAWS service area. The air release valves are located at the high points of all the distribution lines of potable water, recycled water and sanitary sewer force mains.

Pure Technologies US, Inc. dba Wachs Water Services is the single responsible bidder for the Annual Contract for Air Release Preventive Maintenance Services. The bids were e-mailed to 7 different vendors directly. Bidder email notifications were also issued to an additional 336 registered vendors. A total of 1 bid submittal was received.

Part of the services contract is to also provide specialized mapping and data management services in order to gather field data and to seamlessly update SAWS GIS system and Infor system to document the condition of the air release valves. The mapping services also include updating the data by making data corrections such as size of valve and GPS location coordinates. Some air release valves, especially those serving large diameter mains are installed within vaults, this Contract also requires confined space entry services for such vaults.

<table>
<thead>
<tr>
<th>Description</th>
<th>UM</th>
<th>Qty.</th>
<th>Unit Price</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess and Perform Preventive Maintenance to an Air Release Assembly, including all Work required by the Specifications under the Scope of Services.</td>
<td>EA</td>
<td>570</td>
<td>$285.00</td>
<td>$162,450.00</td>
</tr>
<tr>
<td>Confined Space Entry to Perform the Work on an Air Release Assembly Installed within a Manhole or Vault.</td>
<td>EA</td>
<td>570</td>
<td>$65.00</td>
<td>$37,050.00</td>
</tr>
<tr>
<td>Provide Police Officer Services When Required by the Governing Right-Of-Way Agency.</td>
<td>HR</td>
<td>30</td>
<td>$65.00</td>
<td>$1,950.00</td>
</tr>
<tr>
<td>Provide Traffic Control Plan when Required by the Governing Right-Of-Way Agency.</td>
<td>EA</td>
<td>1</td>
<td>$800.00</td>
<td>$800.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$202,250.00</strong></td>
</tr>
</tbody>
</table>

The award amount is $202,250.00
### SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**PROPOSAL:** Biennial Contract for

**FOR:** Fire Hydrants

**DATE & TIME:** (Date of Award through May 31, 2021) 3:00 p.m., June 18, 2019

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>60 ea. (SAWS #17140) Standard model fire hydrant, 5 1/4&quot; valve opening 3 1/2 foot bury &quot;O&quot; ring seals, open right, 6&quot; MJ Inlet, complete with accessories</td>
<td>UNIT</td>
<td>1,193.33</td>
<td>71,599.80</td>
</tr>
<tr>
<td></td>
<td>Make &amp; Model Quoting</td>
<td></td>
<td>EJ American AVK 5CD250 Mueller Model 2780 A423 3 1/2'</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>75 ea. (SAWS #17141) Standard model fire hydrant, 5 1/4&quot; valve opening, 4 foot bury &quot;O&quot; ring seals, open right, 6&quot; MJ inlet, complete with accessories</td>
<td>UNIT</td>
<td>1,221.69</td>
<td>91,626.75</td>
</tr>
<tr>
<td></td>
<td>Make &amp; Model Quoting</td>
<td></td>
<td>EJ American AVK 5CD250 Mueller Model 2780 A423 4'</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>300 ea. (SAWS #17142) Standard model fire hydrant, 5 1/4&quot; valve opening, 5 foot bury &quot;O&quot; ring seals, open right, 6&quot; MJ inlet, complete with accessories</td>
<td>UNIT</td>
<td>1,278.43</td>
<td>383,529.00</td>
</tr>
<tr>
<td></td>
<td>Make &amp; Model Quoting</td>
<td></td>
<td>EJ American AVK 5CD250 Mueller Model 2780 A423 5'</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>80 ea. (SAWS #17143) Standard model fire hydrant, 5 1/4&quot; valve opening 6 foot bury &quot;O&quot; ring seals, open right, 6&quot; MJ inlet, complete with accessories</td>
<td>UNIT</td>
<td>1,335.16</td>
<td>106,812.80</td>
</tr>
<tr>
<td></td>
<td>Make &amp; Model Quoting</td>
<td></td>
<td>EJ American AVK 5CD250 Mueller Model 2780 A423 6'</td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL 1 YEAR | TOTAL | 653,568.35 | 714,829.00 | 763,703.15 |
| TOTAL 2 YEARS |       | 1,307,136.70 |

**EXTENSION 1**

653,568.35

**EXTENSION 2**

653,568.35

**EXTENSION 3**

653,568.35

**EXTENSION 4**

653,568.35
## SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**PROPOSAL FOR:** Fire Hydrants  
(Date of Award through May 31, 2021)

**TIME & DATE:** 3:00 p.m., June 18, 2019

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Terms</th>
<th>Delivery Days</th>
<th>*LOW BIDDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2%</td>
<td>10 days</td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>30 days</td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>30 days</td>
<td></td>
</tr>
</tbody>
</table>

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

- ACT Pipe & Supply
- AY McDonald
- Cohen Pipe
- Core and Main
- Corix
- Ferguson Water Works
- Fortiline Waterworks
- Gajeske
- Hydro Solutions
- KLP Commercial
- Milford Online
- Scruggs Co.
- Tenoch Distribution
- Demandstar
- SAW Website
# SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS  78298-2449

## TABULATION OF BIDS

**PROPOSAL FOR:**
Short-Term Contract for the Purchase and Delivery of
12.5% Sodium Hypochlorite Solution

**TIME & DATE:**
(August 6, 2019 through December 31, 2019)
3:00 p.m., July 1, 2019

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>600,000 gallons Bulk Storage Delivery for the Steven M. Clouse WRC</td>
<td>0.7250</td>
<td>435,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.7884</td>
<td>473,040.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.19</td>
<td>714,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>435,000.00</strong></td>
</tr>
</tbody>
</table>

**EXTENSION 1 (1 ADDITIONAL SIX (6) MONTH PERIOD**

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

**Delivery Days**

*LOW BIDDER*

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

- Amergy Resources
- Bell Chemical
- Biosource
- Brenntag Southwest, Inc.
- Capitol Scientific
- Continental Chemical USA
- DX Group
- DXI Industries, Inc.
- E and C Chemicals
- FSTI Chemicals
- GAC Chemical
- Hasa, Inc.
- Haviland USA
- Hydrite
- Meri Chemical
- Mind Spring
- Noah Technologies Corp.
- Rowell Chemical
- Seidler Chemical
- Sky Hauk Chemicals
- Surpass Chemical
- Univar
- Demandstar
- SAWS Website
AGENDA ITEM NO. 7

TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: APPROVAL OF EXPENDITURES FOR A PERMANENT WATER LINE EASEMENT IN CONNECTION WITH THE WESTLAKES OFF-SITE WATER MAIN EXTENSION – SEGMENT B

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the expenditures in an amount not to exceed $111,360.44 to Pulte Homes of Texas, LP for permanent water line easements in connection with the Westlakes Off-Site Water Main Extension – Segment B.

- On November 7, 2017, by Resolution No. 17-246, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as the Westlakes 1604 Tract, a 493.71-acre tract, being developed by Pulte Homes of Texas, LP (the “Developer”), and the oversizing of approximately 15,935 feet of 12-inch water main to 24-inch water main from the existing 24-inch water main that is near the intersection of FM 143 and West Loop 1604 South, in order to conform with the Water Infrastructure Master Plan. The Developer will also be constructing approximately 345 feet of 12-inch water main (oversized to a 16-inch water main), and approximately 105 feet of 12-inch water main.

- On December 4, 2018, by Resolution No. 18-299, the System’s Board of Trustees approved a construction contract with D Guerra Construction, LLC, a local, MBE-Hispanic contractor, in an amount no to exceed $5,533,517.84 on a Developer Customer construction contract, and authorized expenditures in the amount of $4,048,246.53 for associated construction fees to D Guerra Construction, LLC, and reimbursements of $404,824.65 for associated design fees to the Developer in connection with the Westlakes Off-Site Water Main Extension – Segment B.

- The Developer is eligible for reimbursements of $111,360.44 for associated easement costs in connection with the Westlakes Off-Site Water Main Extension – Segment B.

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

The Developer Customer construction contract, Westlakes Off-Site Water Main Extension – Segment B, was funded by the Water Delivery Core Business, Mains New Category, and Water Main Oversizing budget line item under job number 18-1142. The reimbursement for the easements associated with Westlakes Off-Site Water Main Extension – Segment B will be funded by the Water Main Oversizing 2019 - System Fund, under job number 18-1142. The applicable easement reimbursement fees of $111,360.44 will be paid to the Developer.

Tracey B. Lehmann, P.E.
Director
Development

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

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $111,360.44 FOR A PERMANENT WATER LINE EASEMENT TO PULTE HOMES OF TEXAS, LP IN CONNECTION WITH THE WESTLAKES OFF-SITE WATER MAIN EXTENSION – SEGMENT B; APPROVING AN AMOUNT NOT TO EXCEED $111,360.44 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT FUND FOR THE EXPENDITURE; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PROVIDE REIMBURSEMENTS OF $111,360.44 TO PULTE HOMES OF TEXAS, LP FOR THE EASEMENTS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, by Resolution No. 17-246, approved on November 7, 2017, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as Westlakes 1604 Tract, a 493.71-acre tract, being developed by Pulte Homes of Texas, LP (the “Developer”) and the oversize of approximately 15,935 feet of 12-inch water main to 24-inch water main; and

WHEREAS, by Resolution No. 18-299, approved on December 4, 2018, the System’s Board of Trustees approved a construction contract with D Guerra Construction, LLC, a local, MBE-Hispanic contractor, in the amount of $5,533,517.84 on a Developer Customer construction contract, and authorized expenditures in the amount of $4,048,246.53 for associated construction fees to D Guerra Construction, LLC, and reimbursements of $404,824.65 for associated design fees to the Developer in connection with the Westlakes Off-Site Water Main Extension – Segment B; and

WHEREAS, The Developer is eligible for reimbursements of $111,360.44 for associated easement costs in connection with the Westlakes Off-Site Water Main Extension – Segment B; and

WHEREAS, funds in an amount not to exceed $111,360.44 are available in the Project Fund for the reimbursement of the easements to the Developer; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve funds in an amount not to exceed $111,360.44 for the reimbursements of the easements for the Westlakes Off-Site Water Main Extension – Segment B, (ii) approve an amount not to
exceed $111,360.44 be made available and expended from the Project Fund for the reimbursement of the easements, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to provide reimbursements in an amount not to exceed $111,360.44 to Pulte Homes of Texas, LP for the easements; now, therefore:

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

1. That the expenditure of funds in an amount not to exceed $111,360.44 for the easements in connection with the Westlakes Off-Site Water Main Extension – Segment B, is hereby approved.

2. That an amount not to exceed $111,360.44 for the reimbursement of the easements related to the Westlakes Off-Site Water Main Extension – Segment B is hereby made available and is to be expended from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the reimbursement of the easements and to pay an amount not to exceed $111,360.44 to the Pulte Homes of Texas, LP for the reimbursement of the easements.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 6th day of August, 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 EXPENDITURES FOR THE PURCHASE OF A 3.315-ACRE TRACT OF LAND IN CONNECTION WITH THE GREEN MOUNTAIN PUMP STATION FACILITY

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves expenditures in an amount not to exceed $305,500.00 to KB Home Lone Star, Inc. for the purchase of a 3.315-acre tract of land in connection with the Green Mountain Pump Station Facility.

- On January 9, 2018, by Resolution No. 18-022, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as the Fischer Tract (revised), a 141.23-acre tract, being developed by KB Home Lone Star Inc., (the “Developer”), and the oversizing of the Green Mountain Pump Station Facility near the intersection of East Evans Road and West Green Mountain Road, in order to conform with the Water Infrastructure Master Plan.

- On November 13, 2018, by Resolution No. 18-266, the System’s Board of Trustees approved a construction contract with Payton Construction, Inc., a non-local, SBE contractor, in the amount of $9,176,000.00 on a Developer Customer construction contract, and authorized expenditures in the amount of $8,625,440.00 for associated construction fees to Payton Construction, Inc., and reimbursements of $862,544.00 for associated design fees to the Developer in connection with the Green Mountain Pump Station Facility.

- The Developer is eligible for reimbursements of $305,500.00 for associated land acquisition costs in connection with the Green Mountain Pump Station Facility.

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

The Developer Customer construction contract, Green Mountain Pump Station Facility, was funded by the Water Delivery Core Business, Mains New Category, and Water Main Oversizing budget line item under job number 17-1121. The reimbursement for the land purchase and dedication associated with the Green Mountain Pump Station Facility will be funded by the Water Main Oversizing 2019 – System Fund, job number 17-1121. The applicable land acquisition reimbursement fees of $305,500.00 will be paid to the Developer.

Tracey B. Lehmann, P.E.  
Director  
Development

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

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $305,500.00 FOR A 3.315-ACRE TRACT TO KB HOME LONE STAR, INC. IN CONNECTION WITH TO THE GREEN MOUNTAIN PUMP STATION FACILITY; APPROVING THAT AN AMOUNT NOT TO EXCEED $305,500.00 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT FUND FOR THE TRACT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PROVIDE REIMBURSEMENTS IN AN AMOUNT NOT TO EXCEED $305,500.00 TO KB HOME LONE STAR, INC. FOR THE TRACT; 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 January 9, 2018, by Resolution No. 18-022, the San Antonio Water System’s (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as the Fischer Tract (revised), a 141.23-acre tract, being developed by KB Home Lone Star, Inc. (the “Developer”), and the oversizing of the Green Mountain Pump Station Facility near the intersection of East Evans Road and West Green Mountain Road, in order to conform with the Water Infrastructure Master Plan; and

WHEREAS, on November 13, 2018, by Resolution No. 18-266, the System’s Board of Trustees approved a construction contract with Payton Construction, Inc., a non-local, SBE contractor, in the amount of $9,176,000.00 on a Developer Customer construction contract, and authorized expenditures in the amount of $8,625,440.00 for associated construction fees to Payton Construction, Inc., and reimbursements of $862,544.00 for associated design fees to the Developer in connection with Green Mountain Pump Station Facility; and

WHEREAS, the Developer is eligible for reimbursements of $305,500.00 for associated land acquisition costs for a 3.315-acre tract (the “Tract”) in connection with the Green Mountain Pump Station Facility; and

WHEREAS, funds in an amount not to exceed $305,500.00 are available in the Project Fund for the reimbursement of the Tract to the Developer; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in an amount not to exceed $305,500.00 for the reimbursements of the Tract to the Developer in connection with the Green Mountain Pump Station Facility, (ii)
approve that an amount not to exceed $305,500.00 be made available and expended from the Project Fund for the Tract, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to provide reimbursements in an amount not to exceed $305,500.00 to the Developer for the Tract; now, therefore:

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

1. That the expenditure of funds in an amount not to exceed $305,500.00 for the reimbursement of the Tract in connection with the Green Mountain Pump Station Facility is hereby approved.

2. That an amount not to exceed $305,500.00 is hereby made available and is to be expended from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the reimbursement of the Tract, and to pay an amount not to exceed $305,500.00 to the Developer for the reimbursement of the Tract.

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 6th day of August, 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: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE ALAMOSA DRIVE & HUNSTOCK AVENUE DR 1131 PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Qro Mex Construction Co., Inc., a local, MBE-Hispanic contractor, in an amount not to exceed $1,869,744.00 in connection with the Alamosa Drive & Hunstock Avenue DR 1131 Project.

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

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

- This contract will be for the replacement of approximately 750 feet of 39-inch sanitary sewer main and 120 feet of 8-inch sanitary sewer main by open cut method. Additionally, approximately 150 feet of 6-inch water main adjustments and all associated work and appurtenances including street and sidewalk restoration.

- Qro Mex Construction Co., Inc. has submitted the lowest responsible bid of $1,869,744.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2019 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $1,869,744.00 for wastewater related construction work under job number 17-4538.
SUPPLEMENTARY COMMENTS:

Trihydro Corporation prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $1,535,824.00.

A bid opening was held on June 25, 2019, at 2:00 PM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,535,824.00</td>
<td></td>
</tr>
<tr>
<td>Qro Mex Construction Co., Inc.*</td>
<td>$1,869,744.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil</td>
<td>$1,891,983.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Services Co., Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D Guerra Construction, LLC</td>
<td>$1,935,058.50</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pesado Construction Co., Inc.</td>
<td>$2,145,195.70</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 21.74 percent increase from the engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Alamosa Drive &amp; Hunstock Avenue DR 1131 Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qro Mex Construction Co., Inc.</td>
</tr>
<tr>
<td>SMWVB Analysis – Board Award</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td>SMWVB Total</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Alamosa Drive & Hunstock Avenue DR 1131 Project

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
ALAMOSA DRIVE & HUNSTOCK AVENUE
DR 1131
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO QRO MEX CONSTRUCTION CO., INC. IN AN AMOUNT NOT TO EXCEED $1,869,744.00 IN CONNECTION WITH THE ALAMOSA DRIVE & HUNSTOCK AVENUE DR 1131 PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,869,744.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH QRO MEX CONSTRUCTION CO., INC., AND TO PAY QRO MEX CONSTRUCTION CO., INC. AN AMOUNT NOT TO EXCEED $1,869,744.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

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

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

WHEREAS, Qro Mex Construction Co., Inc., a local, MBE-Hispanic contractor, has submitted a bid of $1,869,744.00 for the project work and has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $1,869,744.00 are required for the project work; and

WHEREAS, the total amount of $1,869,744.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Qro Mex Construction Co., Inc. in an amount not to exceed $1,869,744.00 in connection with the Alamosa Drive & Hunstock Avenue DR 1131 Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,869,744.00 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Qro Mex Construction Co., Inc., and to pay Qro Mex Construction Co., Inc. an amount not to exceed $1,869,744.00 for the project work.
work; now, therefore:

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

1. That a construction contract in an amount not to exceed $1,869,744.00 is hereby awarded to Qro Mex Construction Co., Inc., who is determined to be the lowest responsible bidder, in connection with the Alamosa Drive & Hunstock Avenue DR 1131 Project.

2. That the expenditure of funds in an amount not to exceed $1,869,744.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Qro Mex Construction Co., Inc., and to pay Qro Mex Construction Co., Inc. an amount not to exceed $1,869,744.00 in connection with the Alamosa Drive & Hunstock Avenue DR 1131 Project.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 6th day of August, 2019.

__________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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

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

SUBJECT: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE CENTRAL SEwershed PACKAGE 6

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Vortex Turnkey Solutions, LLC, a non-local, non-SMWVB firm, in an amount not to exceed $1,294,450.00 in connection with the Central Sewershed Package 6 Project.

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

- This contract will be used to rehabilitate approximately 13,790 feet of 8-inch through 10-inch sewer mains, associated lateral, and manholes located in the central sewershed that are in need of repair based on condition assessment. The sewer mains will be rehabilitated using pipe burst and open cut method.

- This project is a pilot for the inflow reduction program under the Consent Decree which requires a 30 percent system wide reduction of wet weather flows; therefore, additional rehabilitation above and beyond what is typical for a condition project has been included to reduce inflow.

- Vortex Turnkey Solutions, LLC has submitted the lowest responsible bid of $1,294,450.00.

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

The Project Fund will finance this expenditure included in the CY 2019 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $1,294,450.00 for wastewater related construction work. The job number is 18-4529.

SUPPLEMENTARY COMMENTS:

Pape-Dawson Engineers, LLC prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $2,790,137.00.

A bid opening was held on July 8, 2019, at 10:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vortex Turnkey Solutions, LLC*</td>
<td>$1,294,450.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Texas Pride Utilities, LLC</td>
<td>$1,861,499.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>T Construction, LLC</td>
<td>$2,190,892.00</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Nerie Construction, LLC</td>
<td>$2,205,063.00</td>
<td>Non–Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services Co., Inc.</td>
<td>$2,315,641.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,790,137.00</td>
<td></td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 53.61 percent decrease from the engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Central Sewershed Package 6</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vortex Turnkey Solutions, LLC</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>3.09%</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>12.59%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>15.68%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Central Sewershed Package 6

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

Approved:

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

Robert R. Puente
President/Chief Executive Officer

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

CENTRAL SEWERSHED PACKAGE 6

LEGEND
- Project Sites
- Bexar Roads
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO VORTEX TURNKEY SOLUTIONS, LLC IN AN AMOUNT NOT TO EXCEED $1,294,450.00 IN CONNECTION WITH THE CENTRAL SEWERSHED PACKAGE 6; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,294,450.00 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH VORTEX TURNKEY SOLUTIONS, LLC, AND TO PAY VORTEX TURNKEY SOLUTIONS, LLC AN AMOUNT NOT TO EXCEED $1,294,450.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

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

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

WHEREAS, Vortex Turnkey Solutions, LLC, a non-local, non-SMWVB firm, has submitted a bid of $1,294,450.00 for the project work and has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $1,294,450.00 are required for the project work; and

WHEREAS, the total amount of $1,294,450.00 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Vortex Turnkey Solutions, LLC in an amount not to exceed $1,294,450.00 in connection with the Central Sewershed Package 6, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,294,450.00 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Vortex Turnkey Solutions, LLC, and to pay Vortex Turnkey
Solutions, LLC an amount not to exceed $1,294,450.00 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $1,294,450.00 is hereby awarded to Vortex Turnkey Solutions, LLC, who is determined to be the lowest responsible bidder, in connection with the Central Sewershed Package 6.

2. That the expenditure of funds in an amount not to exceed $1,294,450.00 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Vortex Turnkey Solutions, LLC, and to pay Vortex Turnkey Solutions, LLC an amount not to exceed $1,294,450.00 in connection with the Central Sewershed Package 6.

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 6th day of August, 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: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE MULTIPLE SEwershed PACKAGE 9A

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to PM Construction & Rehab, LLC dba IPR South Central, a non-local, non-SMWVB firm, in an amount not to exceed $121,208.66 in connection with the Multiple Sewershed Package 9A.

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

- This contract will be used to rehabilitate sewer mains in need of repair based on condition assessment. Approximately 836 feet of 12-inch sewer mains will be rehabilitated using pipe burst, and associated manholes will be rehabilitated or replaced.

- PM Construction & Rehab, LLC dba IPR South Central has submitted the lowest responsible bid of $121,208.66.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2019 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $121,208.66 for wastewater related construction work. The job number 19-4522.
SUPPLEMENTARY COMMENTS:

CDS Muery prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $180,436.00.

A bid opening was held on June 17, 2019, at 10:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Construction &amp; Rehab, LLC dba IPR South Central*</td>
<td>$121,208.66</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oilfield Services, Inc.</td>
<td>$159,501.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>T Construction, LLC</td>
<td>$164,553.80</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Cruz Tec. Inc.</td>
<td>$176,720.84</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>*Lowest Responsible Bidder</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$180,436.00</td>
<td></td>
</tr>
<tr>
<td>Vortex Turnkey Solutions, LLC</td>
<td>$199,422.51</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

The bid amount represents a 32.82 percent decrease from the engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>Multiple Sewershed Package 9A</th>
<th>SMWVB Analysis – Board Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Construction &amp; Rehab, LLC dba IPR South Central</td>
<td>SBE 0.00%</td>
</tr>
<tr>
<td></td>
<td>MBE – African American 0.00%</td>
</tr>
<tr>
<td></td>
<td>MBE – Asian 0.00%</td>
</tr>
<tr>
<td></td>
<td>MBE – Hispanic 0.00%</td>
</tr>
<tr>
<td></td>
<td>MBE – Other 0.00%</td>
</tr>
<tr>
<td></td>
<td>WBE – Minority 0.00%</td>
</tr>
<tr>
<td></td>
<td>WBE – Non–Minority 16.76%</td>
</tr>
<tr>
<td></td>
<td>SMWVB Total 16.76%</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Multiple Sewershed Package 9A

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

ANDREA L.H. BEYMER
Vice President
Engineering and Construction

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO PM CONSTRUCTION & REHAB, LLC DBA IPR SOUTH CENTRAL IN AN AMOUNT NOT TO EXCEED $121,208.66 IN CONNECTION WITH THE MULTIPLE SEWERSHED PACKAGE 9A; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $121,208.66 FROM THE PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH PM CONSTRUCTION & REHAB, LLC DBA IPR SOUTH CENTRAL, AND TO PAY PM CONSTRUCTION & REHAB, LLC DBA IPR SOUTH CENTRAL AN AMOUNT NOT TO EXCEED $121,208.66 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

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

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

WHEREAS, PM Construction & Rehab, LLC dba IPR South Central, a non-local, non-SMWVB firm, has submitted a bid of $121,208.66 for the project work and has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $121,208.66 are required for the project work; and

WHEREAS, the total amount of $121,208.66 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to PM Construction & Rehab, LLC dba IPR South Central in an amount not to exceed $121,208.66 in connection with the Multiple Sewershed Package 9A, (ii) to approve the expenditure of funds and make available an amount not to exceed $121,208.66 from the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with PM Construction & Rehab, LLC dba IPR South Central,
and to pay PM Construction & Rehab, LLC dba IPR South Central an amount not to exceed $121,208.66 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 $121,208.66 is hereby awarded to PM Construction & Rehab, LLC dba IPR South Central, who is determined to be the lowest responsible bidder, in connection with the Multiple Sewershed Package 9A.

2. That the expenditure of funds in an amount not to exceed $121,208.66 for the project work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with PM Construction & Rehab, LLC dba IPR South Central, and to pay PM Construction & Rehab, LLC dba IPR South Central an amount not to exceed $121,208.66 in connection with the Multiple Sewershed Package 9A.

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 6th day of August, 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: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE CENTRAL SEWERSHED PACKAGE 9 (AIRPORT)

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Gonzalez-De La Garza & Associates, LLC, a local, WBE-Hispanic firm, and authorizes funds in an amount not to exceed $376,837.40 in connection with the Central Sewershed Package 9 (Airport) (the “Project”).

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

- The Project will address mains in need of repair based on condition assessment within the central sewershed and is necessary to comply with the Consent Decree. This project consists of rehabilitating approximately 2,090 feet of existing 8-inch through 16-inch sewer main using cured-in-place pipe and replace 1,064 feet of 8-inch sewer main via open cut method on multiple locations throughout the central sewershed.

- Gonzalez-De La Garza & Associates, LLC will provide professional services for this project for the negotiated not to exceed amount of $376,837.40. Basic services to be provided include design phase, bid phase, supplemental, construction phase, and project closeout services.

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 project work is included in the Wastewater Water Core Business budget line item. The amount is $376,837.40 under job number 19-4511.
SUPPLEMENTARY COMMENTS:

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

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gonzalez-De La Garza &amp; Associates, LLC*</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Alan Plummer Associates, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Arcadis U.S., Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Arredondo, Zepeda &amp; Brunz, LLC</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>BGE, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Big Red Dog a division of WGI</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Civil Design Services, Inc. dba CDS Muery</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Cobb, Fendley &amp; Associates, Inc. dba CobbFendley</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>CP&amp;Y, Inc.</td>
<td>Local/MBE-Asian/Non-SBE</td>
</tr>
<tr>
<td>Garcia Infrastructure Consultants, LLC</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Garver, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Garza EMC, LLC</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Halff Associates, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Jones &amp; Carter, Inc. dba Jones</td>
<td>Carter</td>
</tr>
<tr>
<td>K Friese &amp; Associates, Inc.</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Lockwood, Andrews, and Newnam, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>LNV, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Moreno Cardenas, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Mendez Engineering, PLLC</td>
<td>Local/MBE-Hispanic/VBE</td>
</tr>
<tr>
<td>Moy Tarin Ramirez Engineers, LLC</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pape-Dawson Consulting Engineers, Inc. dba Pape-Dawson Engineers, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Poznecki-Camarillo, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>RESPEC Company, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>RJN Group, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>RPS Infrastructure, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>TriHydro Corporation</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Engineers, Inc.</td>
<td>Local/WBE-Asian</td>
</tr>
<tr>
<td>Vickrey &amp; Associates, Inc.</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm
Gonzalez-De La Garza & Associates, LLC proposes to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mendez Engineering, PLLC</td>
<td>3.00%</td>
<td>Local/MBE-Hispanic/VBE</td>
</tr>
<tr>
<td>AmaTerra Environmental, Inc.</td>
<td>11.00%</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Chief Solutions, Inc.</td>
<td>6.00%</td>
<td>Non-Local/MBE-Native American</td>
</tr>
<tr>
<td>Garcia Infrastructure Consultants, LLC</td>
<td>13.00%</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Garver, LLC</td>
<td>2.00%</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Sherwood Surveying &amp; SUE</td>
<td>5.00%</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>The Rios Group, Inc.</td>
<td>14.00%</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Raba-Kistner Consultants, Inc.</td>
<td>5.00%</td>
<td>Local/Non-SMWVB</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Central Sewershed Package 9 (Airport)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gonzalez-De La Garza &amp; Associates, LLC</td>
</tr>
<tr>
<td>SMWVB Analysis – Board Award</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
</tr>
</tbody>
</table>
Award of Professional Services Contract
Central Sewershed Package 9 (Airport)

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO GONZALEZ-DE LA GARZA & ASSOCIATES, LLC IN AN AMOUNT NOT TO EXCEED $376,837.40 IN CONNECTION WITH THE CENTRAL SEWERSHED PACKAGE 9 (AIRPORT); APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $376,837.40 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH GONZALEZ-DE LA GARZA & ASSOCIATES, LLC, AND TO PAY GONZALEZ-DE LA GARZA & ASSOCIATES, LLC AN AMOUNT NOT TO EXCEED $376,837.40 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional services for design of the Central Sewershed Package 9 (Airport) (the “Project”); and

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

WHEREAS, the System’s Architect and Engineer Selection Committee has selected Gonzalez-De La Garza & Associates, LLC to provide the required project engineering design work in connection with the Project; and

WHEREAS, Gonzalez-De La Garza & Associates, LLC, a local, WBE-Hispanic firm, is deemed to be the most highly qualified provider of these engineering services on the basis of demonstrated competence and qualifications and for a fair and reasonable price; and

WHEREAS, Gonzalez-De La Garza & Associates, LLC has submitted a proposal in an amount not to exceed $376,837.40 to provide the required engineering work for the Project; and

WHEREAS, System funds in an amount not to exceed $376,837.40 are required for the project engineering work; and

WHEREAS, the required amount not to exceed $376,837.40 is available from the
WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to award a professional services contract to Gonzalez-De La Garza & Associates, LLC in an amount not to exceed $376,837.40 in connection with the Central Sewershed Package 9 (Airport), (ii) to approve the expenditure of funds and make available an amount not to exceed $376,837.40 from the Project Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Gonzalez-De La Garza & Associates, LLC, and to pay Gonzalez-De La Garza & Associates, LLC an amount not to exceed $376,837.40 for the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $376,837.40 is hereby awarded to Gonzalez-De La Garza & Associates, LLC in connection with the Central Sewershed Package 9 (Airport).

2. That the expenditure of funds in an amount not to exceed $376,837.40 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Gonzalez-De La Garza & Associates, LLC, and to pay Gonzalez-De La Garza & Associates, LLC an amount not to exceed $376,837.40 in connection with the Central Sewershed Package 9 (Airport).

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 6th day of August, 2019.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary
AGENDA ITEM NO. 13

TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE 2019 SMALL CAPACITY CONSTRAINTS I

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Weston Solutions, Inc., a local, non-SMWVB firm, and authorizes funds in an amount not to exceed $1,059,530.40 in connection with the 2019 Small Capacity Constraints I (the “Project”).

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

- The Project will address eight distinct capacity constraints on small diameter lines defined as lines less than 12-inches in diameter within the central sewershed. The project involves 10,690 feet of pipe replacement ranging from 8-inch to 18-inch. These constraints were included in the remedial measures plan submitted to the United States Environmental Protection Agency and elimination of these constraints is necessary to comply with the Consent Decree.

- A Request for Qualifications was issued on February 11, 2019, for professional services for this project and twenty interest statements were received by the System for the project. Weston Solutions, Inc. was selected through the Architect and Engineer Selection Process.

- Weston Solutions, Inc. will provide professional services for this project in an amount not to exceed $1,059,530.40. Basic services to be provided include design, bid phase, services during construction, and project closeout services. Supplemental services include but are not limited to, additional engineering, surveying, environmental, geotechnical, and subsurface utility engineering.

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 project work is included in the Wastewater Core Business, Wastewater Main Replacement budget line item. The amount is $1,059,530.40 under job number 19-4526.

**SUPPLEMENTARY COMMENTS:**

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

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weston Solutions, Inc.*</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Alan Plummer Associates, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Arredondo, Zepeda &amp; Brunz, LLC</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Big Red Dog, Inc., a division of WGI</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Gonzalez-De La Garza &amp; Associates, LLC</td>
<td>Local/WBE-Hispanic</td>
</tr>
<tr>
<td>Jones &amp; Carter, Inc. dba Jones</td>
<td>Carter</td>
</tr>
<tr>
<td>JQ Infrastructure, LLC</td>
<td>Local/MBE-Asian</td>
</tr>
<tr>
<td>KCI Technologies, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>LNV, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Maestas &amp; Associates, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Mendez Engineering, PLLC</td>
<td>Local/MBE-Hispanic/VBE</td>
</tr>
<tr>
<td>Moreno Cardenas, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Poznecki-Camarillo, Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>RESPEC Company, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>RJN Group, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>RPS Infrastructure, Inc.</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>TriHydro Corporation</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Unintech Consulting Engineers, Inc.</td>
<td>Local/WBE-Asian</td>
</tr>
<tr>
<td>Vickrey &amp; Associates, Inc.</td>
<td>Local/WBE-Caucasian</td>
</tr>
</tbody>
</table>

*Selected Firm
Weston Solutions, Inc. proposes to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>Percent of Fee</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AmaTerra Environmental, Inc.</td>
<td>3.4%</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>Bendicion Engineering, LLC</td>
<td>9.4%</td>
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</tr>
<tr>
<td>Fernandez, Frazer, White and Associates</td>
<td>11.2%</td>
<td>Local/MBE-Hispanic</td>
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<tr>
<td>Gonzalez De La Garza &amp; Associates, LLC</td>
<td>10.5%</td>
<td>Local/WBE-Hispanic</td>
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<tr>
<td>Rock Engineering and Testing Laboratory, Inc.</td>
<td>4.2%</td>
<td>Local/WBE-Asian</td>
</tr>
<tr>
<td>Pro Pipe Professional Pipe Services</td>
<td>4.8%</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>The Rios Group, Inc.</td>
<td>10.2%</td>
<td>Local/WBE-Hispanic</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>2019 Small Capacity Constraints I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weston Solutions, Inc.</td>
</tr>
<tr>
<td>SMWVB Analysis – Board Award</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td>SMWVB Total</td>
</tr>
</tbody>
</table>
Award of Professional Services Contract
2019 Small Capacity Constraints I

Gail A. Hamrick-Pigg, P.E.
Director
Engineering and Construction Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

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

2019 SMALL CAPACITY CONSTRAINTS I

LEGEND

★ PROJECT SITE

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

2019 SMALL CAPACITY CONSTRAINTS I

LEGEND

- PROJECT SITE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO WESTON SOLUTIONS, INC. IN AN AMOUNT NOT TO EXCEED $1,059,530.40 IN CONNECTION WITH THE 2019 SMALL CAPACITY CONSTRAINTS I; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,059,530.40 FROM THE PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH WESTON SOLUTIONS, INC., AND TO PAY WESTON SOLUTIONS, INC. AN AMOUNT NOT TO EXCEED $1,059,530.40 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional services for the 2019 Small Capacity Constraints I (the “Project”); and

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

WHEREAS, the System’s Architect and Engineer Selection Committee has selected Weston Solutions, Inc. to provide the required project engineering work in connection with the project; and

WHEREAS, Weston Solutions, Inc., a local, non-SMWVB firm, is deemed to be the most highly qualified provider of these project engineering services on the basis of demonstrated competence and qualifications and for a fair and reasonable price; and

WHEREAS, Weston Solutions, Inc. has submitted a proposal in an amount not to exceed $1,059,530.00 to provide the required project engineering work for the project; and

WHEREAS, System funds in an amount not to exceed $1,059,530.40 are required for the project engineering work; and

WHEREAS, the required amount not to exceed $1,059,530.40 is available from the Project Fund; and
WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to award a professional services contract to Weston Solutions, Inc. in an amount not to exceed $1,059,530.00 in connection with the 2019 Small Capacity Constraints I, (ii) to approve the expenditure of funds and make available an amount not to exceed $1,059,530.40 from the Project Fund for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Weston Solutions, Inc., and to pay Weston Solutions, Inc. an amount not to exceed $1,059,530.40 in connection with the project engineering work; now, therefore:

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

1. That a professional services contract in an amount not to exceed $1,059,530.40 is hereby awarded to Weston Solutions, Inc. in connection with the 2019 Small Capacity Constraints I.

2. That the expenditure of funds in an amount not to exceed $1,059,530.40 for the project engineering work is hereby approved and made available from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Weston Solutions, Inc., and to pay Weston Solutions, Inc. an amount not to exceed $1,059,530.40 in connection with the 2019 Small Capacity Constraints I.

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 6th day of August, 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: AWARD OF CONSTRUCTION CONTRACT IN CONNECTION WITH THE STEVEN M. CLOUSE WATER RECYCLING CENTER PRIMARY CLARIFIER REHABILITATION PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract to Archer Western Construction, LLC, a local, non-SMWVB contractor, in an amount not to exceed $843,500.00 in connection with the Steven M. Clouse (formally Dos Rios) Water Recycling Center (WRC) Primary Clarifier Rehabilitation Project (the “Project”).

- The Steven M. Clouse WRC was constructed in 1987 and is currently treating an average of approximately 100 million gallons a day (MGD) of wastewater. The plant has eight primary clarifiers. The primary clarifiers separate solids from untreated wastewater.

- The primary clarifiers are over 30 years old. They require frequent maintenance and are in need of rehabilitation. The Project will rehab two clarifiers.

- The Project will clean the clarifier floors, side walls and all inner mechanisms, sandblast and coat the sludge collection mechanisms, influent columns, fed-wells and associated supports, replace the walkways, re-set and re-seal the steel weir plates on effluent collection troughs. Additionally, the project will replace the scum boxes and discharge piping, water spray nozzles and piping, skimming arms and supports, electrical conduits, and install energy efficient lights.

- These improvements will provide for a more efficient settling process and sludge collection, and extend the life of the primary clarifiers.

- Archer Western Construction, LLC has submitted the lowest responsible bid of $843,500.00.

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

Funds for these contract services to be provided during FY 2019-2020 are included in the FY 2019 Annual Budget and will be included in the 2020 Annual Operating Budget. The System Fund will finance the amount of $843,500.00 for contract services (Company: 1000; Accounting Unit: 5033800; Account: 511220). The job number 19-0121 (O&M).

SUPPLEMENTARY COMMENTS:

Garcia Infrastructure Consultants, LLC prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost was $830,470.00.

A bid opening was held on June 19, 2019, at 11:00 AM. The following bids were submitted:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Local/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$830,470.00</td>
<td></td>
</tr>
<tr>
<td>Archer Western Construction, LLC *</td>
<td>$843,500.00</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Associated Construction Partners, Ltd.</td>
<td>$959,750.00</td>
<td>Local/WBE-Caucasian</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 1.57 percent increase from the engineer’s estimated construction cost.

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

<table>
<thead>
<tr>
<th>SMWVB Analysis – Board Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
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<tr>
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</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td>SMWVB Total</td>
</tr>
</tbody>
</table>
Award of Construction Contract
Steven M. Clouse WRC Primary Clarifier Rehabilitation Project

APPROVED:

Tracey B. Lehmann, P.E.
Director
Development

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

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONSTRUCTION CONTRACT TO ARCHER WESTERN CONSTRUCTION, LLC IN AN AMOUNT NOT TO EXCEED $843,500.00 IN CONNECTION WITH THE STEVEN M. CLOUSE WATER RECYCLING CENTER PRIMARY CLARIFIER REHABILITATION PROJECT; APPROVING THE EXPENDITURE OF FUNDS AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $843,500.00 FROM THE SYSTEM FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH ARCHER WESTERN CONSTRUCTION, LLC, AND TO PAY ARCHER WESTERN CONSTRUCTION, LLC AN AMOUNT NOT TO EXCEED $843,500.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Steven M. Clouse (formally Dos Rios) Water Recycling Center (WRC) will rehab two of the eight primary clarifiers that are responsible for separating solids in wastewater; and

WHEREAS, the primary clarifiers are over 30 years old, require frequent maintenance and in need of rehabilitation; and

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

WHEREAS, Archer Western Construction, LLC, a local, non-SMWVB contractor, has submitted a bid of $843,500.00 for the project work and has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $843,500.00 are required for the project work; and

WHEREAS, the total amount of $843,500.00 is available from the System Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a construction contract to Archer Western Construction, LLC in an amount not to exceed
$843,500.00 in connection with the Steven M. Clouse WRC Primary Clarifier Rehabilitation Project, (ii) to approve the expenditure of funds and make available an amount not to exceed $843,500.00 from the System Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Archer Western Construction, LLC, and to pay Archer Western Construction, LLC an amount not to exceed $843,500.00 for the project work; now, therefore:

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

1. That a construction contract in an amount not to exceed $843,500.00 is hereby awarded to Archer Western Construction, LLC, who is determined to be the lowest responsible bidder, in connection with the Steven M. Clouse WRC Primary Clarifier Rehabilitation Project.

2. That the expenditure of funds in an amount not to exceed $843,500.00 for the project work is hereby approved and made available from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Archer Western Construction, LLC, and to pay Archer Western Construction, LLC an amount not to exceed $843,500.00 in connection with the Steven M. Clouse WRC Primary Clarifier Rehabilitation Project.

4. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that 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 6th day of August, 2019.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Patricia E. Merritt, Assistant Secretary
TO: San Antonio Water System Board of Trustees
FROM: Juan D. Gomez, Ph.D., P.E., Director, Plants and Major Projects, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction
THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVAL OF ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE STEVEN M. CLOUSE AND LEON CREEK WATER RECYCLING CENTERS (WRCS) ELECTRICAL SYSTEM IMPROVEMENTS – PHASE 2 PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 17-098 by authorizing additional funds to an existing professional services contract with Gupta and Associates, Inc., a local, MBE-Asian firm, in an amount not to exceed $262,516.00 for additional engineering design services in connection with the Steven M. Clouse (formally Dos Rios) and Leon Creek Water Recycling Centers (WRCs) Electrical System Improvements – Phase 2 Project (the “Project”).

- By Resolution No. 17-098, passed and approved on April 4, 2017, the San Antonio Water System’s (the “System”) Board of Trustees (the “Board”) approved a professional services contract with Gupta and Associates, Inc. in an amount not to exceed $1,644,043.00 in connection with the Project.

- By Resolution No. 17-258, passed and approved on December 5, 2017, the Board approved additional professional services with Gupta and Associates, Inc. to replace the motor control centers (MCC) that serve the Steven M. Clouse WRC Headworks process area and the main electrical switchgear equipment at the Leon Creek WRC.

- It is necessary to replace three sets of aging controllers with new programmable logic controllers (PLC) that serve mainly the Steven M. Clouse WRC Headworks, Primary Clarifiers, and First Stage Aeration process areas. The System has decided to move towards a PLC-based control system for the Steven M. Clouse WRC to align with the other core service areas.

- Additional design and construction phase engineering services are required for the replacement of these controllers at the Steven M. Clouse WRC.

- Additional funding in an amount not to exceed $262,516.00 is available from the Project Fund.
Approval of Additional Funds
Steven M. Clouse and Leon Creek WRCs Electrical System Improvements – Phase 2 Project

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2019 Capital Improvements Program. The project is included in the Wastewater Core Business, Treatment Category, Dos Rios WRC Electrical System Improvements – Phase 2 project. The amount is $262,516.00 for professional services. The job number 16-6501. The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 17-098)</td>
</tr>
<tr>
<td>$1,644,043.00</td>
</tr>
<tr>
<td>Additional Funds (Resolution No. 17-258)</td>
</tr>
<tr>
<td>611,971.00</td>
</tr>
<tr>
<td>Proposed Additional Funds</td>
</tr>
<tr>
<td>262,516.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
<tr>
<td>$2,518,530.00</td>
</tr>
</tbody>
</table>

As a result of the additional funds, the new contract amount is $2,518,530.00. This represents a 53.19 percent increase in the System’s original contract amount.

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map – Steven M. Clouse WRC
3. Project Site Map – Leon Creek WRC
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

STEVEN M. CLOUSE AND LEON CREEK (WRCS)
ELECTRICAL SYSTEM IMPROVEMENTS - PHASE 2

LEGEND
PROJECT LIMITS
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT III

LEON CREEK WRC

STEVEN M. CLOUSE AND LEON CREEK (WRCS)
ELECTRICAL SYSTEM IMPROVEMENTS - PHASE 2

LEGEND

PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING ADDITIONAL FUNDS TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH GUPTA AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED $262,516.00 IN CONNECTION WITH THE STEVEN M. CLOUSE (FORMALLY DOS RIOS) AND LEON CREEK WATER RECYLCING CENTERS ELECTRICAL SYSTEM IMPROVEMENTS – PHASE 2 PROJECT; APPROVING THAT AN AMOUNT NOT TO EXCEED $262,516.00 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT 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 GUPTA AND ASSOCIATES, INC., AND TO PAY GUPTA AND ASSOCIATES, INC. AN ADDITIONAL AMOUNT NOT TO EXCEED $262,516.00 FOR 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, on April 4, 2017, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution No. 17-098, approved a professional services contract with Gupta and Associates, Inc. in an amount not to exceed $1,644,043.00 in connection with the Steven M. Clouse (formally Dos Rios) Water Recycling Centers (WRCs) Electrical System Improvements – Phase 2 Project (the “Project”); and

WHEREAS, on December 5, 2017, the System’s Board of Trustees, by Resolution No. 17-258, approved additional professional services with Gupta and Associates, Inc.; and

WHEREAS, additional funding to the existing professional services contract with Gupta and Associates, Inc. in an amount not to exceed $262,516.00 is required to provide additional professional services; and

WHEREAS, an amount not to exceed $262,516.00 is available from the Project Fund for the additional professional services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve additional expenditures to an existing professional services contract with Gupta and
Associates, Inc. in an amount not to exceed $262,516.00 in connection with the Steven M. Clouse and Leon Creek Water Recycling Centers Electrical System Improvements – Phase 2 Project, (ii) to make available an amount not to exceed $262,516.00 from the Project Fund for the 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 Gupta and Associates, Inc., and to pay Gupta and Associates, Inc. an amount not to exceed $262,516.00 for the additional professional services; now, therefore:

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

1. That Resolution No. 17-098 is hereby amended to provide additional funds to the existing professional services contract with Gupta and Associates, Inc. in an amount not to exceed $262,516.00 in connection with the Steven M. Clouse and Leon Creek Water Recycling Centers Electrical System Improvements – Phase 2 Project.

2. That an amount not to exceed $262,516.00 is hereby made available and is to be expended from the Project Fund for the additional professional services.

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 Gupta and Associates, Inc., and to pay Gupta and Associates, Inc. an amount not to exceed $262,516.00 in connection with the 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 6th day of August, 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 EXPENDITURES TO BEXAR COUNTY FLOOD CONTROL IN CONNECTION WITH THE SOUTH HAUSMAN ROAD (LC-5) PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Interlocal Agreement with Bexar County through the Bexar County Flood Control Program (the “County”) and authorizes expenditures to the County in an amount not to exceed $445,692.32 for the joint construction of sewer facility adjustments in connection with the South Hausman Road (LC-5) Project.

- The County proposes to construct street and drainage improvements in the area illustrated on the attached maps. The County’s improvement work is estimated to cost $6,990,026.94.

- Due to the proposed street and drainage improvements of the South Hausman Road (LC-5) Project, the existing sewer mains constructed between 1989 through 2005 require adjustment to avoid conflicts with the County’s improvements.

- There are no water facilities within the project limits; therefore there is no water work on this project.

- The sewer adjustment work will consist of approximately 2,671 feet of 8-inch to 21-inch sewer main.

- It is anticipated that 45.27 percent of the sewer adjustment work will be eligible for funding by the County. This percentage of the sewer work is eligible for reimbursement due to relocation from an existing San Antonio Water System (the “System”) easement. The remaining 54.73 percent of sewer adjustment work will be funded by the System.

- Since the County’s proposed drainage improvements will conflict with portions of the sewer main within an existing easement, the County has agreed to pay for its pro-rata share of engineering design services at a cost of $89,336.52 and construction costs at a cost of $368,656.68 associated with the work.
Within thirty calendar days of the execution of this Interlocal Agreement by the last signatory, the County has agreed to reimburse the System its pro-rata share of engineering design costs associated with the adjustment of the sewer main that lies within a dedicated easement within the County’s project limits.

The County anticipates approving the Capital Excavation bid for construction of this project in July 2019. As part of the joint bidding, advanced approval for funding and for the execution of an Interlocal Agreement is required by the County prior to issuing a notice to proceed on construction.

Funds as determined by the amount bid will be transferred to the County following the execution of the Interlocal Agreement. Only the funds not eligible for County funding will be advanced to the County.

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 sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $445,692.32 for sewer work. The job number is 14-5553.

APPROVED:

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

SOUTH HAUSMAN ROAD (LC-5)

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH BEXAR COUNTY AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT FOR THE ADJUSTMENT OF SEWER FACILITIES BY BEXAR COUNTY IN CONNECTION WITH THE SOUTH HAUSMAN ROAD (LC-5) PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $445,692.32 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, Bexar County through the Bexar County Flood Control Program (the “County”) proposes to construct the South Hausman Road (LC-5) Project; and

WHEREAS, the South Hausman Road (LC-5) Project will require the adjustment of certain sewer facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, to increase the efficiency and effectiveness of local governments the County has requested that the System execute an Interlocal Agreement and pay for the System’s share of the project work costs; and

WHEREAS, System funds in an amount not to exceed $445,692.32 are required for the project work; and

WHEREAS, the total amount of $445,692.32 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Interlocal Agreement with the County for the adjustment of sewer facilities by the County in connection with the South Hausman Road (LC-5) 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 $445,692.32 for the System’s share of the project work; now, therefore:

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

1. That an Interlocal Agreement with the County 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 the County in connection with the South Hausman Road (LC-5) Project.

2. That the expenditure of funds in an amount not to exceed $445,692.32 for the adjustment of sewer facilities by the County in connection with the South Hausman Road (LC-5) 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 6th day of August, 2019.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Patricia E. Merritt, Assistant Secretary
This Interlocal Agreement (also referred to herein as the “Agreement”) is made and entered into this ____ day of _________, 2019, by and between the COUNTY OF BEXAR, a political subdivision of the State of Texas (“COUNTY”), and SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, a political subdivision of the State of Texas (“SAWS”) (also, individually, a “Party” or, collectively, the “Parties), pursuant to the Interlocal Cooperation Act, Chapter 791 of the Government Code.

PURPOSE

1.01 The purpose of this Agreement is to facilitate the COUNTY’s improvement of the South Hausman Road (LC-5) Project (the “Project”) by including certain necessary SAWS adjustments in COUNTY’s Specifications for the Project, thus assuring the coordination of COUNTY’s road drainage improvements with SAWS’s adjustments which include re-alignment of existing 8” sanitary sewer line along South Hausman Road and existing 21” sanitary sewer line within French Creek.

SERVICES

2.01 COUNTY agrees to include in the Bexar County Flood Control Specifications for the Project the plans and specifications for SAWS Sewer Job No. 14-5553 (the “SAWS Work”) which SAWS shall prepare and deliver to COUNTY and is incorporated by reference herein, and will be incorporated in the construction contract for the Project.

2.02 Immediately after tabulating all of the bids received for the Project, COUNTY will notify SAWS in writing of the name of the contractor selected by COUNTY for the Project (the “Contractor”) and the bid amount (the “Original Bid”) for the SAWS Work.

2.03 COUNTY agrees to use its best efforts to enforce all of its rights and remedies against the Contractor for the SAWS Work.

2.04 COUNTY agrees to allow SAWS access to the Project site to (i) inspect and witness testing of the SAWS Work and to determine if the SAWS Work 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 SAWS Work.

FEE

3.01 COUNTY agrees to provide funding reimbursing SAWS for all engineering design fees and associated work to be performed by the SAWS Engineering Design Consultant that is attributed to the County’s portion of the Work being performed on Project. County also agrees to contribute costs for construction of certain portions of the SAWS Work associated with the Project that are necessitated by SAWS having to relocate certain infrastructure out of its current easement. This work is defined in footnote 1 of Exhibit A and referred to as “SAWS County work”. The
costs associated with SAWS County Work are delineated in Exhibit A and B, attached hereto and incorporated for all purposes.

3.02 Within thirty (30) calendar days of the execution of this Interlocal Agreement by the last signatory, COUNTY shall deliver to SAWS good and sufficient funds (the “County Funds”) in the amount of Sixty-One Thousand, Eight Hundred Seventy-Eight Dollars and Seventy-Three Cents ($61,878.73) for the engineering design fees associated with SAWS County Work as further defined in Exhibit A.

3.03 COUNTY acknowledges that SAWS has provided the COUNTY with two signed copies of this Interlocal Agreement. COUNTY will return one fully executed original to SAWS upon COUNTY’s approval. Within thirty (30) calendar days of the execution of this Interlocal Agreement by the last signatory, SAWS shall deliver to COUNTY good and sufficient funds (the “SAWS Funds”) for the bid amount for SAWS Work as identified in Exhibit B plus ten percent (10%) contingency, for a total of Four Hundred Forty-Five Thousand, Six Hundred Ninety-Two Dollars andThirty-Two Cents ($445,692.32). Any and all control and beneficial use of the funds by the COUNTY, will be contingent on SAWS receiving a fully executed original of this Interlocal Agreement from the COUNTY and the funds owed by County to SAWS as described in §3.02.

3.04 If the cost of performing the SAWS Work exceeds the Original Bid, the following provisions shall apply:

(a) Costs exceed Original Bid but do not exceed the Original Bid plus ten percent (10%) contingency. Once COUNTY receives notice from the Contractor that additional funds will be needed for SAWS Work, COUNTY will notify SAWS in writing of the change order. Unless, SAWS objects within five (5) business days of receipt of the written notification of the change order, COUNTY will proceed with SAWS Work and utilize the contingency amount for payment to the Contractor.

(b) Change Orders. If change orders are requested by SAWS or required for the SAWS Work under this Agreement, SAWS will make a change order request and SAWS staff or SAWS’s Consultant shall prepare the change order. If COUNTY requires a change order that affects the SAWS Work, the change order will be submitted to SAWS staff for approval. SAWS staff agrees to use good faith efforts to respond to change orders within five business days after SAWS staff’s receipt of request, or such additional period of time as may be reasonably necessary under the circumstances based on the complexity of the change order. In no event will SAWS’s deliberative process be allowed to jeopardize COUNTY’s timely completion of COUNTY’s Project, as determined by COUNTY. SAWS staff is under no obligation to approve any change orders, and in no event shall SAWS be responsible for costs or expenses under change orders that are not approved by SAWS staff.

(c) If a change order results in total costs exceeding the amount stated in §3.03, COUNTY will send copies of invoices covering the additional amounts authorized by a change order approved by SAWS staff, and SAWS shall pay COUNTY the additional amounts in the approved change order within thirty (30) days, unless further time is required for
Board action to appropriate funds. A change order under §3.04(c) approved in writing and signed by authorized SAWS staff shall, upon the Board action to appropriate the funds for the change order, have the automatic effect of amending §3.03 to increase the total amount in §3.03 by the total change order amount.

(d) A change order that results in total costs reducing the amount stated in §3.03 and that is approved in writing and signed by authorized SAWS staff shall have the automatic effect of amending §3.03 to decrease the total amount in §3.03 by the total change order amount.

3.05 If the cost of performing the SAWS Work is less than the amount actually paid by SAWS for SAWS Work under this Agreement, COUNTY agrees to refund the overpayment to SAWS within thirty (30) days of determination of same.

3.06 After County’s final recapitulation with the contractor, County will refund SAWS for Funds previously paid but unused.

3.07 If the cost of performing the SAWS Work engineering design fees that are attributable to the SAWS County Work being performed on the Project is less than the amount stated in §3.02, SAWS agrees to refund the overpayment to COUNTY within thirty (30) days of determination of same.

3.08 The Parties acknowledge that the financial commitments stated in this Agreement are independent of the necessary operating and maintenance expenses that are SAWS’s responsibilities.

SAWS’S RESPONSIBILITY

4.01 SAWS agrees to accept full responsibility for inspection and acceptance of work performed as the SAWS Work and SAWS County Work as identified in Exhibit B.

4.02 Following Substantial Completion of SAWS Work and SAWS County Work, SAWS shall be responsible for all costs associated with operating and maintaining SAWS Work and SAWS County Work. Substantial Completion is the date, certified by COUNTY, County’s design professional and SAWS (including SAWS design professional) that the contractor has reached that stage of completion when SAWS and COUNTY accept use of SAWS Work and SAWS County Work for its intended purposes.

ENTIRE AGREEMENT

5.01 This Agreement, along with the specifications for the SAWS Work, supersedes any and all other agreements, either oral or in writing, and no other agreement, statement, or promise relating to the subject matter of this Agreement that is not contained herein shall be valid or binding.

ATTORNEY’S FEES
6.01 If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, each Party shall be responsible for its own attorney’s fees, irrespective of any other remedy available at law and equity.

**TEXAS LAW TO APPLY**

7.01 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, shall be governed by the laws of the State of Texas. The Parties agree that proper venue for any proceedings shall be in the Federal and State courts of Bexar County, Texas.

**SEVERABILITY**

8.01 If any one or more of the provisions contained in the Agreement is for any reason be 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 herein.

**AMENDMENT**

9.01 No amendment, supplementation, modification, or alteration of the terms hereof will be binding unless it is in writing, dated subsequent to the date hereof and duly approved and executed by the Parties.

**THIRD PARTY BENEFICIARY**

10.01 SAWS shall be considered a third party beneficiary under COUNTY’s contract for the Project; provided, however, that prior to final completion of the work under the contract for the Project, SAWS shall not enforce any remedies against the Contractor without the prior written consent of COUNTY, which consent may be withheld if COUNTY reasonably believes that enforcement would have an adverse effect on final completion of the Project. Prior to final completion of the work under the contract for the Project, COUNTY shall cooperate in the prosecution of any action against the Contractor, to the extent consistent with the terms of the Project Contract Documents, which SAWS may reasonably determine to be necessary to undertake in connection with the SAWS Work done by the Contractor or its subcontractors.

**INDEMNIFICATION**

11.01 COUNTY agrees to include SAWS in the list of parties being indemnified by the COUNTY contractors under contract documents, so that SAWS receives the benefit of all indemnities under the contract documents.

**INSURANCE**

12.01 In all contracts entered into by COUNTY for SAWS Work, County shall include provisions reflecting:
(a) With regard to insurance coverage during the construction phase of the Project, COUNTY shall require all consultants, contractors, subcontractors and suppliers to maintain insurance coverage limits that are sufficient to compensate COUNTY and SAWS for their respective interests in the Project with regard to any liability a third party may have due to the services, equipment, or materials provided for construction of the Project. SAWS shall be named additional insured on Project related policies naming COUNTY as an additional insured. COUNTY shall provide SAWS’s Designated Representative with copies of the completed Certificates of Insurance which Certificates shall be completed by an agent authorized to bind the named underwriters and their companies to the coverage limits and termination provisions shown thereon. SAWS reserves the right to review the insurance requirements during the effective period of this Agreement, and any extension or renewal hereof, and to modify insurance coverage and limits when deemed necessary and prudent by SAWS’s Risk Manager based upon changes in statutory law or court decisions. If SAWS requests a coverage modification which results in an increased cost, SAWS shall be responsible for the increased cost and COUNTY shall have no obligation to request a coverage modification until SAWS submits payment to cover the increased cost. COUNTY will not allow any modifications to the insurance coverage through which SAWS may incur increased risks.

(b) COUNTY shall require all contractors and service providers to maintain statutory worker’s compensation insurance for all of their employees with a waiver of subrogation in favor of COUNTY and SAWS.

(c) COUNTY will require the consultants, contractors, and any subcontractors to provide all statutorily-required payment and performance bonds at no additional cost to the Parties. On services for which performance bonds are not statutorily required, COUNTY shall determine whether to require performance bonds.

CURRENT REVENUES

13.01 In accordance with Section 791.011(d)(3) of the Texas Government Code, the party paying for the performance of governmental functions or services, if any, must make those payments from current revenues available to the paying party.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH WILL HAVE FULL FORCE AND EFFECT ON THIS _______ DAY OF ____________________, 2019.

BEXAR COUNTY, TEXAS

By: ____________________________
   Nelson W. Wolff
   County Judge

SAN ANTONIO WATER SYSTEM

By: ____________________________
   Robert R. Puente
   President/Chief Executive Officer
APPROVED AS TO LEGAL FORM:

By: __________________________

Patricia G. Prowse
Assistant Criminal District Attorney
Civil Division

APPROVED AS TO FINANCIAL FORM:

By: __________________________

Leo S. Caldera, CPA, CGAP
County Auditor

By: __________________________

David Smith
County Manager

APPROVED:

By: __________________________

Renee D. Green, PE
Director of Public Works/County Engineer
### Exhibit “A”

**Engineering Design Fees and Funds Committed by County and SAWS**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Design Fee(s) Approved Amounts</th>
<th>SAWS Work</th>
<th>SAWS County Work&lt;sup&gt;1&lt;/sup&gt;</th>
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<tbody>
<tr>
<td><strong>SEWER DESIGN FEES</strong></td>
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<td>50% Design Phase</td>
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<td>$14,500.39</td>
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<td>70% Design Phase</td>
<td>$13,247.20</td>
<td>$7,250.19</td>
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<td>95% Design Phase</td>
<td>$13,247.20</td>
<td>$7,250.19</td>
<td>$5,997.01</td>
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<td>Bid Phase</td>
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<td>$1,812.55</td>
<td>$1,499.25</td>
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<td>Construction</td>
<td>$6,623.60</td>
<td>$3,625.10</td>
<td>$2,998.50</td>
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<td>Project Closeout Phase</td>
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<td>Easement Preparation</td>
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<td><strong>Subtotal</strong></td>
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<td>$61,878.73</td>
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<tr>
<td><strong>Total County Contribution</strong></td>
<td></td>
<td></td>
<td>$61,878.73</td>
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<tr>
<td><strong>Total SAWS Contribution</strong></td>
<td></td>
<td>$135,462.82</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup>The County is responsible for the design relocation costs of the sewer lines that are in a dedicated SAWS easement. County’s pro-rata share (45.27%) of design and engineering professional services fees are calculated based on the percentage cost of 21-inch main and associated appurtenances adjusted in the dedicated easement, within the County project limits, see Exhibit “B”.

<sup>2</sup>Easement Acquisition costs for the County work includes all costs associated with acquiring easements including any and all legal and land costs associated with the 21-inch main, specifically: Joint Use Agreement Parcel P16-034, Sewer Easement Parcel P16-033A, and 17.92% of Sewer Easement Parcel P16-032 (based on percent linear footage occupied by 21-inch main).
Exhibit “B”
Engineer’s Cost Estimate and Funds Committed by the County

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>SAWS Work</th>
<th>SAWS County Work¹</th>
<th>Total</th>
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<tbody>
<tr>
<td>Sewer Main Adjustments</td>
<td>$405,174.84</td>
<td>$335,142.44</td>
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<td>Contingency (10% of Construction)</td>
<td>$40,517.48</td>
<td>$33,514.24</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$445,692.32</strong></td>
<td></td>
<td><strong>$814,349.00</strong></td>
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</table>

1. County contribution (45.27%) based on actual adjustment cost of 840 LF of 21-inch PVC sewer main and associated appurtenances as further defined on sheets 7-8 of the SAWS South Hausman Road Construction Plans.
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 CHANGE ORDER NO. 5 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE HUEBNER CREEK ENHANCED CONVEYANCE LC17 – PHASE III PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 5 in the amount of $174,342.37 and amends Resolution No. 16-237, by approving additional funds in the amount not to exceed $225,000.00 payable to Bexar County (the “County”) in connection with the Huebner Creek Enhanced Conveyance LC17 – Phase III Project.

- The County is widening Huebner Creek in order to alleviate flooding within the limits of Phase III of the Huebner Creek Enhanced Conveyance LC17 Project as illustrated on the attached maps. This project requires the adjustment of recycled water and replacement of sewer facilities due to the conflicts with the proposed drainage improvements.

- The Huebner Creek Enhanced Conveyance LC17 Project consists of the adjustment of approximately 3,817 feet of 36-inch recycled water main, approximately 783 feet of 8-inch and 10-inch sewer main, and 4,624 feet of 24-inch sewer main to be upsized to a 42-inch sewer main.

- Since the County’s proposed drainage improvements conflict with the existing recycled water main and the existing recycled water main is within an easement, the County has agreed to pay for all of its associated engineering design services and easement acquisition fees and construction costs for the recycled water adjustment work.

- Funds in the amount of $6,894,524.82 were authorized for the sewer work on this project on September 13, 2016, by Resolution No. 16-237, based on the low bid by Oscar Renda Contracting, Inc. (ORC) of $6,759,338.06 and a contingency of $135,186.76.

- Change Order Nos. 1 – 4 totaled $110,158.62 for additional project work. Each change order had funds available from existing contingency and no individual Board action was needed.
Approval of Change Order No. 5  
and Authorization of Additional Funds
Huebner Creek Enhanced Conveyance LC17 Phase III Project

- During construction, it was discovered that additional change orders were required for additional project work.

- Change Order No. 5 in the amount of $174,342.37 provides for the delay costs associated with the corrective measures involved in adding a manhole to correct the slope at the sewer stub-out in Change Order No. 2.

- Currently, there is $25,028.14 available in the construction contingency for Change Order No. 5. The additional amount of $225,000.00 includes the short fall of $149,314.23 for Change Order No. 5 and $75,685.77 for additional contingency expenses that might be incurred for the remaining work. The System work is 83 percent complete.

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 sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $225,000.00 for additional construction expenses. The job number is 13-5570.

The revised authorization and contract amounts for this project are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount Authorized</th>
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<tbody>
<tr>
<td>Contract:</td>
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<tr>
<td>Original Contract Amount (Resolution No. 16-237)</td>
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<td>Change Order Nos. 1 through 4</td>
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<tr>
<td>Proposed Change Order No. 5</td>
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<tr>
<td>Revised Contract Amount</td>
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<td>Contingency:</td>
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<td>Original Contingency Amount (Resolution 16-237)</td>
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<tr>
<td>Change Order Nos. 1 through 4</td>
<td>(110,158.62)</td>
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<tr>
<td>Proposed Change Order No. 5</td>
<td>(174,342.37)</td>
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<tr>
<td>Proposed Additional Funds</td>
<td>225,000.00</td>
</tr>
<tr>
<td>Remaining Contingency Balance</td>
<td>$75,685.77</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of all change orders is $7,043,839.05, which represents an increase of 4.21 percent to the original amount. The above change orders do not exceeded 25 percent of the overall contract. The County’s original contract amount is $15,794,701.91.
Approval of Change Order No. 5 and Authorization of Additional Funds
Huebner Creek Enhanced Conveyance LC17 Phase III Project

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

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AMENDING RESOLUTION NO. 16-237, BY APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $225,000.00 PAYABLE TO BEXAR COUNTY FOR ADDITIONAL CONSTRUCTION EXPENSES IN CONNECTION WITH THE HUEBNER CREEK ENHANCED CONVEYANCE LC17 - PHASE III PROJECT; APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $225,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT FUND FOR ADDITIONAL PROJECT WORK; APPROVING CHANGE ORDER NO. 5 IN THE AMOUNT OF $174,342.37; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 5, AND TO PAY BEXAR COUNTY AN ADDITIONAL AMOUNT NOT TO EXCEED $225,000.00 FOR ADDITIONAL PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Bexar County (the “County”) is currently constructing the Huebner Creek Enhanced Conveyance LC17 - Phase III Project; and

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

WHEREAS, the System’s Board of Trustees (the “Board”) by Resolution No. 16-237, adopted September 13, 2016, originally approved the expenditure of $6,894,524.82 to pay for the System’s share of the project work based on the contractor’s bid of $6,759,338.06 and a construction contingency of $135,186.76; and

WHEREAS, four previously approved change orders in the cumulative amount of $110,158.62 did not require individual Board approval; and

WHEREAS, during construction, it was discovered that additional change orders were required for additional project work; and

WHEREAS, Change Order No. 5 in the amount of $174,342.37 provides for the monetary impact of the additional project work associated with corrective measures to the sewer
WHEREAS, the additional project work cost exceeds the amount available in the construction contingency by $149,314.23; and

WHEREAS, additional System funds in an amount not to exceed $225,000.00 are required in connection with the project work; and

WHEREAS, the total amount of $225,000.00 is available from the Project Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to amend Resolution No. 16-237, by approving the expenditure of an additional amount not to exceed $225,000.00 payable to Bexar County in connection with the Huebner Creek Enhanced Conveyance LC17 – Phase III Project, (ii) to expend an additional amount not to exceed $225,000.00 from the Project Fund for additional project work, (iii) to approve Change Order No. 5 in the amount of $174,342.37 for the additional project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 5, and to pay an additional amount not to exceed $225,000.00 to Bexar County for additional project work; now, therefore:

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

1. That Resolution No. 16-237 is hereby amended by authorizing additional funds in an amount not to exceed $225,000.00 payable to the County in connection with the Huebner Creek Enhanced Conveyance LC17 Project.

2. That an additional amount not to exceed $225,000.00 is hereby made available and is to be expended from the Project Fund.

3. That Change Order No. 5 in the amount of $174,342.37 for the additional project work in connection with the Huebner Creek Enhanced Conveyance LC17 Project is hereby approved.

4. That the President/Chief Executive Officer is hereby authorized to execute Change Order No. 5, and to pay an amount not to exceed $225,000.00 to the County for additional project work in connection to the Huebner Creek Enhanced Conveyance LC17 – Phase III Project.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 6th day of August, 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 EXPENDITURES TO THE ALAMO REGIONAL MOBILITY AUTHORITY IN CONNECTION WITH THE FOSTER ROAD PHASE III PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Interlocal Agreement with the Alamo Regional Mobility Authority (the “Authority”) and authorizes expenditures to the Authority in an amount not to exceed $1,636,264.78 for the joint construction of water and sewer facility adjustments in connection with the Foster Road Phase III Project.

- The Authority proposes to construct street and drainage improvements in the area illustrated on the attached maps. The Authority’s improvement work is estimated to cost $14,235,875.92.
- Due to the reconstruction and improvements with the Foster Road Phase III Project, the existing water mains that were installed from 1977 through 2015 require adjustment to avoid conflicts with the Authority’s street and drainage improvements.
- The existing sewer manholes that were installed from 1988 through 2018 require adjustment to avoid conflicts with the Authority’s street and drainage improvements.
- The water work will consist of the adjustment of approximately 7,489 feet of 6-inch through 16-inch water mains.
- The sewer work will consist of the adjustment one manhole, the rehabilitation of two manholes, reconstruction of three manholes, and replacement of two manholes.
- It is anticipated that 91.76 percent of the sewer work will be eligible for funding reimbursement by the Authority. This percentage of the sewer work is eligible for reimbursement due to relocation from an existing San Antonio Water System (the “System”) easement. The remaining 8.24 percent of sewer work and 100 percent of the water work will be funded by the System.
Approval of an Interlocal Agreement and Authorization for 
Expenditure of Funds to Alamo Regional Mobility Authority for the 
Foster Road Phase III Project

- Since the Authority’s proposed street and drainage improvements will conflict with portions of the sewer main within an existing easement, the Authority has agreed to pay for its pro-rata share of engineering design services at a cost of $16,004.27 and construction costs at a cost of $65,890.82 associated with the work.

- Within thirty calendar days of the execution of this Interlocal Agreement by the last signatory, the Authority has agreed to reimburse the System its pro-rata share of engineering design costs associated with the sewer manhole replacements and adjustments that lie within a dedicated easement within the Authority’s project limits.

- The Authority anticipates approving the bid of Texas Sterling Construction, Co. for construction of this project on September, 2019. As part of joint bidding, advanced approval for funding and for the execution of an Interlocal Agreement is required by the Authority prior to issuing a notice to proceed on construction.

- Funds as determined by the amount bid will be transferred to the Authority following the execution of the Interlocal Agreement. Only the funds not eligible for Authority funding will be advanced to the Authority.

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, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $1,630,351.68 for water work. The job number is 17-5047.

The sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $5,913.10 for sewer work. The job number is 17-5633.
Approval of an Interlocal Agreement and Authorization for Expenditure of Funds to Alamo Regional Mobility Authority for the Foster Road Phase III Project

Vice President Engineering and Construction

APPROVED:

[Signature]

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

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

Robert R. Puente
President/Chief Executive Officer

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

FOSTER ROAD PHASE III

LEGEND

PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH THE ALAMO REGIONAL MOBILITY AUTHORITY AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE ALAMO REGIONAL MOBILITY AUTHORITY IN CONNECTION WITH THE FOSTER ROAD PHASE III PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $1,636,264.78 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, Alamo Regional Mobility Authority (the “Authority”) proposes to construct the Foster Road Phase III Project; and

WHEREAS, the Foster Road Phase III Project will require the adjustments of certain water and sewer facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, to increase the efficiency and effectiveness of local governments the Authority has requested that the System execute an Interlocal Agreement and pay for the System’s share of the project work costs; and

WHEREAS, System funds in an amount not to exceed $1,636,264.78 are required for the project work; and

WHEREAS, the total amount of $1,636,264.78 is available from the Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Interlocal Agreement with the Authority for the adjustments of water and sewer facilities by the Authority in connection with the Foster Road Phase III Project and to authorize the President/Chief Executive Officer or his duly appointed designee to execute an Interlocal Agreement, and (ii) to authorize the expenditure of funds in an amount not to exceed $1,636,264.78 for the System’s share of the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That an Interlocal Agreement with the 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 the Authority in connection with the Foster Road Phase III Project.

2. That the expenditure of funds in an amount not to exceed $1,636,264.78 for the adjustments of water and sewer facilities by the Authority in connection with the Foster Road Phase III 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 6th day of August, 2019.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________________
Patricia E. Merritt, Assistant Secretary
PAGES 1-7

STATE OF TEXAS §

COUNTY OF BEXAR §

INTERLOCAL AGREEMENT

This Interlocal Agreement (the “Agreement”) is made and entered into this ____ day of ________, 2019, by and between the ALAMO REGIONAL MOBILITY AUTHORITY, a political subdivision of the State of Texas (“AUTHORITY”), and the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, a political subdivision of the State of Texas (“SAWS”) (also, individually, a “Party” or, collectively, the “Parties), pursuant to the Interlocal Cooperation Act, Chapter 791 of the Government Code.

PURPOSE

1.01 The purpose of this Agreement is to facilitate the AUTHORITY’s improvement of the Foster Road Phase III Project (the “Project”) by including certain necessary SAWS adjustments and replacements in the AUTHORITY’s Specifications for the Project, thus assuring the coordination of the AUTHORITY’s road and drainage improvements with SAWS’s adjustments and replacements.

1.02 As part of its Project development activities, the Authority will include in its procurement of construction services the development and construction of the SAWS Work (as defined below).

SERVICES

2.01 The AUTHORITY agrees to include in the AUTHORITY Specifications for the Project the plans and specifications for SAWS Water Job No. 17-5047 and SAWS Sewer Job No. 17-5633 (the “SAWS Work”), which SAWS has prepared and delivered to the AUTHORITY and is incorporated by reference herein, and to contract for the performance of SAWS Work.

2.02 Immediately after tabulating all of the bids received for the Project, the AUTHORITY will notify SAWS in writing of the name of the contractor selected by the AUTHORITY for the Project (the “Contractor”) and the bid amount for the SAWS Work (the “Original Bid”). SAWS acknowledges that the Contractor selected by the AUTHORITY for the Project may not be the proposer which offered the lowest bid on the SAWS Work.

2.03 The AUTHORITY agrees to use its best efforts to enforce all of its rights and remedies against the Contractor for the SAWS Work.

2.04 The AUTHORITY agrees to allow SAWS access to the Project site to (i) inspect and witness testing of the SAWS Work and to determine if the SAWS Work 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 SAWS Work, the AUTHORITY does not guarantee the performance of the Contractor in the performance of the SAWS Work, and SAWS will be responsible for inspecting and accepting the SAWS Work.

FEE

3.01 AUTHORITY agrees to provide funding reimbursing SAWS for all engineering design fees and associated work to be performed by the SAWS Engineering Design Consultant that is attributed
to the AUTHORITY’s portion of the Work being performed on Project. AUTHORITY also agrees to contribute costs for construction of certain portions of the SAWS Work associated with the Project that are necessitated by SAWS having to adjust certain infrastructure within its current easement. This work is defined in footnote 2 of Exhibit B and referred to as “SAWS AUTHORITY work”. The costs associated with SAWS AUTHORITY Work are delineated in Exhibit A and B, attached hereto and incorporated for all purposes.

3.02 Within thirty (30) calendar days of the execution of this Interlocal Agreement by the last signatory, AUTHORITY shall deliver to SAWS good and sufficient funds (the “AUTHORITY Funds”) in the amount of Sixteen Thousand, Four and 27/100’s Dollars ($16,004.27) for the engineering design fees associated with SAWS AUTHORITY Work as further defined in Exhibit A.

3.03 Not later than fifteen (15) days after the execution of the Agreement by SAWS, SAWS shall deliver to the AUTHORITY good and sufficient funds (the “Funds”) for the Original Bid and a two percent (2%) contingency (the “Contingency”). The Funds to be provided by SAWS are further described in Exhibit B attached hereto.

3.04 For materials and construction used in the SAWS Work, SAWS agrees to pay to the AUTHORITY the amount of One Million, Six Hundred Thirty-Six Thousand, Two Hundred Sixty-Four and 78/100’s Dollars ($1,636,264.78), which includes the Original Bid amount and the Contingency.

3.05 If the cost of performing the SAWS Work exceeds the Original Bid, the following provisions shall apply:

(a) Contractor-Initiated Change Orders. Use of the Contingency. In the event the AUTHORITY receives a proposed change order from the Contractor indicating that additional funds exceeding the Original Bid will be needed for SAWS Work, the AUTHORITY will notify SAWS in writing of the proposed change order. Unless SAWS objects within ten (10) business days of receipt of the written notification of the proposed change order, the AUTHORITY will proceed with SAWS Work and utilize the Contingency for payment to the Contractor. In the event the amount of the proposed change order exceeds the Contingency amount, the AUTHORITY will authorize work up to the amount of the available Contingency, and will authorize the remaining work once a commitment, in writing, is received from an authorized representative of SAWS that the required additional funding (in excess of the available Contingency amount) will be remitted to the AUTHORITY prior to such time that payment for the work is due to the Contractor.

(b) SAWS-Initiated Change Orders. If change orders are requested by SAWS under this Agreement, SAWS will submit a change order request to the AUTHORITY, including all necessary documentation to prepare the change order.

(c) Authority-Initiated Change Orders. If the AUTHORITY requires a change order that affects the SAWS Work, the change order will be submitted to SAWS staff for approval. Notwithstanding the time period to reject a proposed change order under subsection (a), SAWS staff agrees to use good faith efforts to respond to change orders within ten (10) business days after SAWS staff’s receipt of request, or such additional period of time as may be reasonably necessary under the circumstances based on the complexity of the change
order. SAWS staff is under no obligation to approve any change orders, and in no event shall SAWS be responsible for costs or expenses under Authority-Initiated Change Orders that are not approved by SAWS staff.

(d) If a SAWS Initiated Change Order or an Authority-Initiated Change Order results in total costs exceeding the amount stated in §3.04, the AUTHORITY will send copies of invoices covering the additional amounts authorized by a change order approved by SAWS staff, and SAWS shall pay the AUTHORITY the additional amounts in the approved change order within fifteen (15) days after the approval of the Board of Trustees, unless further time is required for Board action to appropriate funds. In the event Board action is needed, SAWS agrees to present the request at the next regular or special Board meeting. A change order under §3.05(d) approved in writing and signed by authorized SAWS staff shall, upon the Board action to appropriate the funds for the change order, have the automatic effect of amending §3.04 to increase the total amount in §3.04 by the total change order amount.

(e) A change order that results in total costs reducing the amount stated in §3.04 and that is approved in writing and signed by authorized SAWS staff shall have the automatic effect of amending §3.04 to decrease the total amount in §3.04 by the total change order amount.

3.06 If the cost of performing the SAWS Work is less than the amount actually paid by SAWS for SAWS Work under this Agreement, AUTHORITY agrees to refund the overpayment to SAWS within thirty (30) days of determination of same.

3.07. Not later than thirty (30) days after the AUTHORITY’s final recapitulation with the Contractor, the AUTHORITY will refund SAWS for any surplus Funds.

3.08 The Parties acknowledge that the financial commitments stated in this Agreement are independent of the necessary operating and maintenance expenses that are SAWS’s responsibilities.

SAWS’S RESPONSIBILITY

4.01 SAWS agrees to accept full responsibility for inspection and acceptance of work performed as the SAWS Work, and acknowledges that the AUTHORITY is not responsible for the quality or performance of the SAWS Work by the Contractor.

4.02 Following Substantial Completion of SAWS Work, SAWS shall be responsible for all costs associated with operating and maintaining SAWS Work. Substantial Completion is the date, certified by the AUTHORITY, the AUTHORITY’s design professional and SAWS (including SAWS design professional) that the Contractor has reached that stage of completion when SAWS and the AUTHORITY accept use of SAWS Work for its intended purposes, recognizing that certain punch-list and/or clean-up items that do not preclude use of the SAWS Work for its intended purpose may be required.

ENTIRE AGREEMENT

5.01 This Agreement, along with the specifications for the SAWS Work, supersedes any and all other agreements, either oral or in writing, and no other agreement, statement, or promise relating to the subject matter of this Agreement that is not contained herein shall be valid or binding.
ATTORNEY’S FEES

6.01 If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, to the extent allowed by law, the prevailing Party shall be entitled to reasonable attorney’s fees in addition to any other relief to which the prevailing Party may be entitled.

TEXAS LAW TO APPLY

7.01 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, shall be governed by the laws of the State of Texas.

SEVERABILITY

8.01 If any one or more of the provisions contained in the Agreement is for any reason be 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 herein.

AMENDMENT

9.01 No amendment, supplementation, modification, or alteration of the terms hereof will be binding unless it is in writing, dated subsequent to the date hereof and duly executed by the Parties.

THIRD PARTY BENEFICIARY

10.01 SAWS shall be considered a third party beneficiary under the AUTHORITY’s contract for the Project; provided, however, that prior to final completion of the work under the contract for the Project, SAWS shall not enforce any remedies against the Contractor without the prior written consent of the AUTHORITY, which consent may be withheld if the AUTHORITY reasonably believes that enforcement would have an adverse effect on final completion of the Project. Prior to final completion of the work under the contract for the Project, the AUTHORITY shall cooperate in the prosecution of any action against the Contractor, to the extent consistent with the terms of the Project Contract Documents, which SAWS may reasonably determine to be necessary to undertake in connection with the SAWS Work done by the Contractor or its subcontractors.

INDEMNIFICATION

11.01 The AUTHORITY agrees to include SAWS in the list of parties being indemnified by the Contractor, so that SAWS receives the benefit of all indemnities under the contract documents with respect to the SAWS Work. Neither party to this Agreement waives, or intends to waive, their governmental immunity in connection with this Agreement, the Project, or the SAWS Work.

INSURANCE

12.01 In all contracts entered into by the AUTHORITY for SAWS Work, the AUTHORITY shall include provisions reflecting:
(a) With regard to insurance coverage during the construction phase of the Project, the AUTHORITY shall require all consultants, contractors, subcontractors and suppliers to maintain insurance coverage limits that are sufficient to compensate the AUTHORITY and SAWS for their respective interests in the Project with regard to any liability a third party may have due to the services, equipment, or materials provided for construction of the Project. SAWS shall be named as additional insured on Project related policies naming the AUTHORITY as an additional insured. The AUTHORITY shall provide SAWS with copies of the completed Certificates of Insurance which Certificates shall be completed by an agent authorized to bind the named underwriters and their companies to the coverage limits and termination provisions shown thereon. SAWS reserves the right to review the insurance requirements during the effective period of this Agreement, and any extension or renewal hereof, and to modify insurance coverage and limits when deemed necessary and prudent by SAWS’s Risk Manager based upon changes in statutory law or court decisions. If SAWS requests a coverage modification which results in an increased cost, SAWS shall be responsible for the increased cost and the AUTHORITY shall have no obligation to request a coverage modification until SAWS submits payment to cover the increased cost. The AUTHORITY will not allow any modifications to the insurance coverage through which SAWS may incur increased risks.

(b) The AUTHORITY shall require the Contractor to maintain statutory worker’s compensation insurance for all of their employees with a waiver of subrogation in favor of the AUTHORITY and SAWS.

(c) The AUTHORITY will require the Contractor, and any subcontractors to provide all statutorily-required payment and performance bonds at no additional cost to the Parties. On services for which performance bonds are not statutorily required, the AUTHORITY shall determine whether to require performance bonds.

**CURRENT REVENUES**

13.01 In accordance with Section 791.011(d)(3) of the Texas Government Code, the party paying for the performance of governmental functions or services, if any, must make those payments from current revenues available to the paying party.

**EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH WILL HAVE FULL FORCE AND EFFECT ON THIS _______ DAY OF __________________, 2019.**

**ALAMO REGIONAL MOBILITY AUTHORITY**  
By: ________________________________  
David Smith  
Executive Director

**SAN ANTONIO WATER SYSTEM**  
By: ________________________________  
Robert R. Puente  
President/Chief Executive Officer
### Exhibit “A”
Engineering Design Fees and Funds Committed by AUTHORITY and SAWS

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<th>Cost Category</th>
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<td>$ 0.00</td>
<td>$ 13,000.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$ 177,149.50</strong></td>
<td><strong>$ 0.00</strong></td>
<td><strong>$ 177,149.50</strong></td>
</tr>
<tr>
<td><strong>SEWER DESIGN FEES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40% Design Phase</td>
<td>$ 4,700.00</td>
<td>$ 4,312.95</td>
<td>$ 387.05</td>
</tr>
<tr>
<td>70% Design Phase</td>
<td>$ 3,440.00</td>
<td>$ 3,156.71</td>
<td>$ 283.29</td>
</tr>
<tr>
<td>95% Design Phase</td>
<td>$ 2,860.00</td>
<td>$ 2,624.48</td>
<td>$ 235.52</td>
</tr>
<tr>
<td>Bid Phase</td>
<td>$ 571.00</td>
<td>$ 523.98</td>
<td>$ 47.02</td>
</tr>
<tr>
<td>Construction</td>
<td>$ 4,209.50</td>
<td>$ 3,862.85</td>
<td>$ 346.65</td>
</tr>
<tr>
<td>Project Closeout Phase</td>
<td>$ 1,660.00</td>
<td>$ 1,523.30</td>
<td>$ 136.70</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$ 17,440.50</strong></td>
<td><strong>$ 16,004.27</strong></td>
<td><strong>$ 1,436.23</strong></td>
</tr>
</tbody>
</table>

\(^1\)The AUTHORITY is responsible for the design costs of the sewer manhole adjustments, reconstructions, and replacements that are in a dedicated SAWS easement. AUTHORITY’s pro-rata share (91.76%) of design and engineering professional services fees are calculated based on the construction cost percentage of manhole adjustments, reconstructions, and replacements within the dedicated easement, within the AUTHORITY project limits, see Exhibit “B”.

| Total AUTHORITY Contribution  | $ 16,004.27                     |                           |           |
| Total SAWS Contribution       | $ 178,585.73                    |                           |           |
# Exhibit “B”
## Bid Amount and Funds Committed by AUTHORITY and SAWS

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>SAWS Work</th>
<th>%</th>
<th>SAWS AUTHORITY Work</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Main Replacements and Adjustments(^1)</td>
<td>$1,598,384.00</td>
<td>100%</td>
<td>$0.00</td>
<td>0%</td>
<td>$1,598,384.00</td>
</tr>
<tr>
<td>Sewer Manhole Work(^2)</td>
<td>$5,797.16</td>
<td>8.24%</td>
<td>$64,598.84</td>
<td>91.76%</td>
<td>$70,396.00</td>
</tr>
<tr>
<td>Contingency (2% of Construction)</td>
<td>$32,083.62</td>
<td>8.24%</td>
<td>$1,291.98</td>
<td>91.76%</td>
<td>$33,375.60</td>
</tr>
<tr>
<td><strong>Total =</strong></td>
<td><strong>$1,636,264.78</strong></td>
<td></td>
<td><strong>$65,890.82</strong></td>
<td></td>
<td><strong>$1,702,155.60</strong></td>
</tr>
</tbody>
</table>

1. Approx. 13 LF of 6-inch DI Water Pipe, 1,264 LF of 8-inch DI, 183 LF of 12-inch DI & 6,029 LF of 16-inch DI Water Pipe
2. AUTHORITY share includes approx. 3 MH reconstructions, 1 MH adjustment, & 2 MH replacements. SAWS share includes manhole rehabilitation.
3. AUTHORITY contribution (91.76%) is based on actual manhole adjustment, reconstruction, and replacement costs within a SAWS dedicated sewer easement, within the AUTHORITY’s project limits, as further defined on sheet 5 of the SAWS Foster Road Phase III Sewer Construction Plans.
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 AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE SAN PEDRO CREEK IMPROVEMENTS PHASE I PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves Amendment No. 1 to the existing Interlocal Agreement with the San Antonio River Authority (SARA), and amends Resolution No. 17-025 by approving additional funds in an amount not to exceed $590,282.31 for reimbursement to SARA in connection with the San Pedro Creek Improvements Phase I Project.

- SARA is currently revitalizing the condition of San Pedro Creek and transforming it to reflect its place in our San Antonio cultural history. SARA is also proposing to improve the function in flood control, revive natural habitat, improve water quality within the creek, and catalyze economic development in the area illustrated on the attached maps.

- SARA has chosen to construct this project through the Construction Manager at Risk (CMAR) project delivery method to expedite completion of the project with Sundt/Davila, a Joint Venture (Sundt/Davila), being their CMAR contractor. SARA’s original contract amount of $69,979,759.00 is based on a Guaranteed Maximum Price (GMP) by Sundt/Davila.

- On January 10, 2017, by Resolution No. 17-025, the San Antonio Water System’s (the “System”) Board of Trustees approved funds in an amount not to exceed $3,994,958.69 for the construction of System work associated with the project based on a Guaranteed Maximum Price (GMP) by Sundt/Davila.

- During construction, there were sixteen Allowance Use Authorizations (AUA) for System work in connection to the project that have exhausted and exceeded all the allowance funds.

- The contractual obligation of the project’s GMP is based on all of the work SARA has contracted Sundt/Davila to do on the project, not just the construction of System work related to the project. The GMP will not be exceeded by payment of these AUAs described in the Supplementary Comments below. The Interlocal Agreement requires System
payment of AUAs until the overall project’s GMP is exceeded. The System is recommending payment to SARA for the sixteen AUAs on the basis set forth next to each of them in the Supplementary Comments.

- Negotiations between the System and SARA have resulted in the amount of $363,999.20 for the additional project work associated with the sixteen AUAs.

- Currently, there is $173,716.89 available as allowances for scope growth, design revisions and clarifications, archeological impacts to construction, and business accommodations.

- Amendment No. 1 in the amount not to exceed of $590,282.31 provides for the short fall to do this additional project work and additional allowance expenses that might be incurred for the remaining work. The System’s work is 50 percent complete.

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. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $284,598.46 under job number 14-5038 for additional water work.

The sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $305,683.85 under job number 14-5538 for additional sewer work.

The revised authorizations for this project are as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 17-025)</td>
</tr>
<tr>
<td>Proposed Additional Funds</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of the sixteen AUAs is $4,585,241.00, which represents an increase of 14.78 percent to the original amount. SARA’s original contract amount is $69,979,759.00.

**SUPPLEMENTARY COMMENTS:**

The sixteen approved AUAs associated with System work consist of the following:
Approval of Amendment No. 1
and Authorization of Additional Funds
San Pedro Creek Improvements Phase I

- AUA #13: an increased amount not to exceed $2,025.00, provided for the removal of asbestos material.
- AUA #17: an increased amount not to exceed $34,906.00, provided for installation of a doghouse style manhole on an existing 27-inch brick sewer.
- AUA #27: an increased amount not to exceed $25,880.00, provided additional sub-utility exploration, shoring and backfill on an existing 24-inch water main found to be deeper than anticipated along Dolorosa Street.
- AUA #28: an increased amount not to exceed $155,243.00, provided additional costs required for the installation of the proposed 24-inch water main along Dolorosa Street.
- AUA #34: an increased amount not to exceed $10,982.00, provided for additional costs endured by the contractor for installing a 16-inch water cut-in-valve at Nueva Street.
- AUA #35: a decreased amount not to exceed $5,725.00, provided a reduction of a sewer lateral at Nueva Street.
- AUA #36: an increased amount not to exceed $60,537.00, provided an 8-inch sewer main at Nueva Street where records showed a 6-inch sewer lateral instead.
- AUA #38: an increased amount not to exceed $45,083.00, provided an extension of an 8-inch sewer main with manhole to capture an undocumented lateral along Nueva Street.
- AUA #140: an increased amount not to exceed $6,525.00, provided additional laterals and cleanouts in Calder Street alley.
- AUA #178: an increased amount not to exceed $2,987.20, provided for a 2-inch service relay and an additional 115 feet of 6-inch temporary water main.
- AUA #216: a decreased amount not to exceed $427.00, provided for an adjustment of item billing associated with contaminated groundwater handling.
- AUA #220: an increased amount not to exceed $8,543.00, provided for protection of an 8-inch water main at Calder Street alley.
- AUA #223: an increased amount not to exceed $8,117.00, provided compensation to the contractor for exploration and downtime while an undocumented gas main was verified by CPS Energy.
- AUA #225: an increased amount not to exceed $20,099.00, provided for additional sewer main quantities required for the siphon at Commerce Street.
Approval of Amendment No. 1
and Authorization of Additional Funds
San Pedro Creek Improvements Phase I

- AUA #231: a decreased amount not to exceed $11,716.00, provided for a reduction in costs when during construction two proposed 8-inch by 24-inch tapping sleeves were replaced with an alternative pipeline configuration on Dolorosa Street.

- AUA #234: an increase amount not to exceed $940.00, provided for additional water main quantities required for the water main relocation at Calder Street.

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

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

Robert R. Puente
President/Chief Executive Officer

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

SAN PEDRO CREEK IMPROVEMENTS
PHASE I

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AMENDMENT NO. 1 TO THE INTERLOCAL AGREEMENT WITH THE SAN ANTONIO RIVER AUTHORITY IN AN AMOUNT NOT TO EXCEED $590,282.31 IN CONNECTION WITH THE SAN PEDRO CREEK IMPROVEMENTS PHASE I PROJECT;

AMENDING RESOLUTION NO. 17-025 BY APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $590,282.31 PAYABLE TO SAN ANTONIO RIVER AUTHORITY FOR ADDITIONAL PROJECT WORK;

APPROVING AN AMOUNT NOT TO EXCEED $590,282.31 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT FUND FOR ADDITIONAL PROJECT WORK;

AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE INTERLOCAL AGREEMENT, AND TO PAY THE SAN ANTONIO RIVER AUTHORITY AN AMOUNT NOT TO EXCEED $590,282.31 FOR ADDITIONAL WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio River Authority (SARA) is currently revitalizing the condition of San Pedro Creek and transforming it to reflect its place in our San Antonio cultural history in connection with the San Pedro Creek Improvements Phase I Project; and

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

WHEREAS, the System’s Board of Trustees (the “Board”) through Resolution No. 17-025, adopted January 10, 2017, approved expenditures in an amount not to exceed $3,994,958.69 to pay for the System’s project work based on a Guaranteed Maximum Price by Sundt/Davila, a Joint Venture; and

WHEREAS, during construction there were sixteen Allowance Use Authorizations (AUA) for additional project work in connection with the San Pedro Creek Improvements Phase I Project that have exhausted and exceeded all the allowance funds (the “additional project work”); and

WHEREAS, contractual obligation of the project’s GMP is based on all of the work SARA has contracted Sundt/Davila to do on the project and requires the System to pay AUAs
until the overall project’s GMP is exceeded; and

WHEREAS, negotiations between the System and SARA have resulted in Amendment No. 1 in the amount not to exceed $590,282.31 to cover the costs related to additional project work; and

WHEREAS, the amount of $590,282.31 is available from the Project Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Amendment No. 1 to the Interlocal Agreement with SARA for the additional project work in connection with the San Pedro Creek Improvements Phase I Project, (ii) to amend Resolution No. 17-025 by approving additional funds in an amount not to exceed $590,282.31 payable to SARA for the additional project work, (iii) to approve an amount not to exceed $590,282.31 be made available and expended from the Project Fund for the additional project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the Interlocal Agreement, and to pay an amount not to exceed $590,282.31 to SARA for the additional project work; now, therefore:

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

1. That Amendment No. 1 to the Interlocal Agreement with SARA substantially in the form of the agreement attached hereto is hereby approved for the additional project work in connection with the San Pedro Creek Improvements Phase I Project.

2. That Resolution No. 17-025 is hereby amended by approving funds in an amount not to exceed $590,282.31 payable to SARA for the additional project work.

3. That the additional amount not to exceed of $590,282.31 is hereby made available and is to be expended from the Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the Interlocal Agreement, and to pay the San Antonio River Authority an amount not to exceed $590,282.31 for additional project work.

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

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

PASSED AND APPROVED this 6th day of August, 2019.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary
CONTRACT AMENDMENT NO. 1 TO THE INTERLOCAL AGREEMENT BETWEEN
SAWS AND THE SAN ANTONIO RIVER AUTHORITY FOR THE
SAN PEDRO CREEK IMPROVEMENTS PHASE I PROJECT

THIS CONTRACT AMENDMENT NO. 1 (the “Amendment”) to the Interlocal Agreement (defined below) is made and entered into by and between the San Antonio River Authority, a conservation and reclamation district (“SARA”) and San Antonio Water System, a wholly owned municipal water, wastewater and water recycling utility (“SAWS”) and made effective on August 6, 2019, SAWS and SARA being individually referred to herein as a “Party” and collectively referred to herein as the “Parties”. Capitalized terms not defined herein shall be given the meaning assigned to them in the Interlocal Agreement.

RECITALS

WHEREAS, the Parties entered into the an Interlocal Agreement authorized by SAWS Board Resolution No. 17-025 on January 10, 2017 and made effective on January 30, 2017 (the “Interlocal Agreement”);

WHEREAS, pursuant to the Interlocal Agreement, SAWS agreed to reimburse SARA for the actual work performed for SAWS Work in the Project, in accordance with terms and provisions of the Interlocal Agreement;

WHEREAS, the Parties wish to increase the original Contract Amount by Five Hundred Ninety Thousand, Two Hundred Eighty-Two Dollars and Thirty-One Cents ($590,282.31), for a total amended Contract Amount of Four Million, Five Hundred Eighty-Five Thousand, Two Hundred Forty-Two Dollars and No Cents ($4,585,241.00) in order to address numerous change orders for actual work performed for SAWS Work on the Project (the “Change Orders”);

WHEREAS, the Parties also wish for all future change orders on the Project that are approved by the SAWS Board (for amounts in excess of the Contract Amount) or SAWS staff (for amounts not in excess of the Contract Amount) to have the effect of automatically amending the Contract Amount in the Interlocal Agreement accordingly;

WHEREAS, this Amendment is the result of a cooperative effort between SAWS and SARA which is in the best interest of both the SAWS ratepayers and the SARA’s constituents and is pursuant to the Interlocal Cooperation Act, Chapter 791 of the Government Code;

WHEREAS, SARA has in accordance with Chapter 2269 of the Government Code, contracted with a construction manager at risk for the San Pedro Creek Improvements Project (the “Project”), including work performed under the Change Orders;

NOW THEREFORE, for and in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I.

Contract Amendment No. 1 to Interlocal Agreement for San Pedro Creek Improvements Project
Section 2.02 of the Interlocal Agreement is hereby deleted and replaced in entirety with the following:

2.02 Upon the approval and appropriation of funds by the SAWS Board of Trustees, SAWS agrees to pay SARA pursuant to this Agreement, the total not to exceed amount of Five Million, Five Hundred Eighty-Five Thousand, Two Hundred Forty-Two Dollars and No Cents ($4,585,241.00) to reimburse SARA for the costs of materials and construction used to complete the SAWS Work (the “Contract Amount”).

Section 3.00 of the Interlocal Agreement is amended to include the following at the end of the paragraph:

Notwithstanding the foregoing, all change orders in excess of the SAWS Contract Amount require SAWS Board approval, which (if given) shall have the automatic effect of revising the Contract Amount accordingly. Change orders that are not in excess of the SAWS Contract Amount require SAWS staff approval, which (if given) shall have the automatic effect of revising the Contract Amount accordingly.

II.

All other terms, conditions and provisions of the Interlocal Agreement shall remain in full force and effect as of the date thereof.

This Amendment shall be binding upon and inure to the benefit of SAWS and SARA and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed in their respective corporate names by their respective officers thereunto duly authorized and their respective corporate seals to be hereunto affixed and attested by their respective officers having custody thereof the day and year first above written.

SAN ANTONIO WATER SYSTEM

By: ____________________________
    Robert R. Puente
    President and CEO

Date: ____________________________

SAN ANTONIO RIVER AUTHORITY

By: ____________________________
    Suzanne B. Scott
    General Manager

Contract Amendment No. 1 to Interlocal Agreement for San Pedro Creek Improvements Project
Page 2 of 4
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 Suzanne B. Scott, General Manager of the San Antonio River Authority, a conservation and reclamation district created under the laws of the State of Texas, on behalf of said district.

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

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

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

SUBJECT: AUTHORIZATION TO PURCHASE A PERMANENT SEWER LINE EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT FOR THE W-1 LEON CREEK HIGHWAY 151 TO HIGHWAY 90 LOWER SEGMENT PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of a permanent sewer line easement containing approximately 0.762 acres and a temporary construction easement containing approximately 1.940 acres (the “Easements”) for the W-1 Leon Creek Highway 151 to Highway 90 Lower Segment Project (the “Project”) and authorizes the expenditure of $136,450.00 for the Easements.

- The Project is located inside of Loop 410 in the vicinity of Leon Creek and U.S. Highway 90 West, extending from a point on U.S. Highway 90 West to a northern point near Levi Strauss Park.

- The Project will replace and upsize about two and a half miles of 42-inch and 54-inch gravity sewer main with 72-inch and 78-inch gravity sewer main along Leon Creek. The sewer mains are in the Western Sewershed and extend from U.S. Highway 90 to an existing 66-inch sewer pipeline approximately 2,500 feet east of Pinn Road.

- San Antonio Water System (SAWS) requires the acquisition of real property, being the Easements, which traverses overland from the H.G. Property Management, L.P. property located at the northeast corner of Leon Creek and U.S. Highway 90 West, San Antonio, Bexar County, Texas for the construction of the Project.

- The property on which the Easements are located is owned by H.G. Property Management, L.P, a Texas limited partnership (the “Owner”).

- SAWS and the Owner have agreed on a purchase amount of $136,450.00 for the Easements.
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 CY 2016 Capital Improvement Program, Wastewater Core Business, Main Replacements Category. The total amount is $136,450.00 for the acquisition of the Easements.

Bruce A. Haby  
Manager  
Corporate Real Estate

Nancy Belinsky  
Vice President and General Counsel

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES APPROVING THE ACQUISITION OF A PERMANENT SEWER LINE EASEMENT BEING APPROXIMATELY 0.762 ACRES AND A TEMPORARY CONSTRUCTION EASEMENT BEING APPROXIMATELY 1.940 ACRES (COLLECTIVELY, THE “EASEMENTS”) FROM H.G. PROPERTY MANAGEMENT, L.P., FOR THE W-1 LEON CREEK HIGHWAY 151 TO HIGHWAY 90 LOWER SEGMENT PROJECT (THE “PROJECT”) IN AN AMOUNT NOT TO EXCEED $136,450.00; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE

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

WHEREAS, the property on which the Easements are located is owned by H.G. Property Management, L.P. (the “Owner”); and

WHEREAS, the Owner has agreed to grant the Easements to the System for the sum of $136,450.00; and

WHEREAS, funds in an amount not to exceed $136,450.00 are available in the Project Fund for the purchase of the Easements; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the acquisition of the Easements for the Project, and (ii) authorize the expenditure of funds in an amount not to exceed $136,450.00 for the acquisition of the Easements; now, therefore:

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

1. That the acquisition of the Easements for the Project is hereby approved.

2. That the expenditure from the Project Fund in the CY 2016 Capital Improvement Program, Wastewater Core Business, Main Replacement Category budget in a total amount not to exceed $136,450.00 for the acquisition of the Easements is hereby approved, made available and is to be expended from the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to effectuate the acquisition of the Easements and to pay an amount not to exceed
$136,450.00 to the Owner (or any other party shown on a title report or commitment as having an interest in the real property) for the acquisition of the Easements.

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 6th day of August, 2019.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary

Attachments:
I. Aerial Map
II. Permanent and Temporary Easements
PERMANENT EASEMENT – SEWER

STATE OF TEXAS §

COUNTY OF BEXAR §

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

P19-020-01

Being 0.762 acre (33,226 sq. ft.) of land out of a 22.976 acre tract situated in New City Block 13951, San Antonio, Bexar County, Texas, and recorded in Volume 18055, Page 306, Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.TX.); said 0.762 acre (33,226 sq. ft.) tract being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof;

The area described and depicted Exhibits “A” and “B” are collectively referred to herein as the “Easement Area”.

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

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until the use of said easement shall be abandoned.

And Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

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

*Signature on following page*
EXECUTED effective this _____________ day of _____________, 2019.

GRANTOR:
H.G. PROPERTY MANAGEMENT, L.P.

By: Gruen Holding Company, L.L.C.
Its: Sole Member

By: ______________________________
    Herbert M. Gruen, President

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this ______ day of _____________, 2019, by Herbert M. Gruen, the President of Gruen Holding Company, L.L.C., a Texas limited liability company, on behalf of said company, and Gruen Holding Company, L.L.C., a Texas limited liability company executed this instrument as sole general partner of HG PROPERTY MANAGEMENT, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas
EXHIBIT "A"

Field Notes
for a 0.762 Acre (33,226 Sq. Ft.)
Permanent Sanitary Sewer Easement

Being 0.762 acre (33,226 sq. ft.) of land out of a 22.976 acre tract situated in New City Block 13951, San Antonio, Bexar County, Texas, and recorded in Volume 18055, Page 306, Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.TX.); said 0.762 acre (33,226 sq. ft.) tract being more particularly described as follows:

BEGINNING at a set 1/2 inch iron pin located on a common line of the said 22.976 acre tract and of a remaining portion of a 19.76 acre tract recorded in Volume 2278, Page 268, O.P.R.R.P.B.C.TX.; said iron pin being N 70°03'47" E, 303.36 feet and N 78°02'43" E, 192.79 feet along the north right-of-way line of U.S. Hwy. 90 West and N 13°50'06" W, 471.44 feet along the said common line from a found Brass Disk Monument being an angle point of the U.S. Hwy. 90 West right-of-way;

Thence

The following calls along the said common line:

N 13°50'06" W, 436.38 feet to a set 1/2 inch iron pin being the most westerly corner of the said 22.976 acre tract and of the tract herein described;

N 79°47'01" E, 91.09 feet to a set 1/2 inch iron pin being the most northerly corner of the tract herein describe

Thence

The following calls crossing the said 22.976 acre tract:

S 10°02'01" E, 417.13 feet departing the said common line to a PK nail with metal washer set for an angle point of the tract herein described;

S 14°40'08" E, 13.50 feet to a PK nail with metal washer set for the most easterly corner of the tract herein described;

S 75°19'52" W, 63.45 feet to the POINT OF BEGINNING and containing 0.762 acre (33,226 sq. ft.) of land, more or less.

“Not a Boundary Survey”

Adalberto Camarillo
Registered Professional Land Surveyor No. 3929
TBPLS FIRM #100423-00
March 14, 2019
Revised May 15, 2019
EXHIBIT "B"

POZNECKI-CAMARILLO, INC.
PAPE-DAWSON ENGINEERS, INC.

PROJECT NAME:  SAN ANTONIO WATER SYSTEM
PARCEL No.:  W-1 LEON CREEK – HWY. 151 TO HWY. 90
OWNER:  P19-020-01
HG PROPERTY MANAGEMENT, LP

NOTES:
1. "SIP" DENOTES SET 1/2" IRON PIN.
2. "SET PK" DENOTES A PK NAIL WITH METAL WASHER STAMPED "PK10101801100391".
3. "ALC" DENOTES FOUND ALUMINUM CAP MONUMENT.
4. "FP" DENOTES FOUND IRON PIN.
5. "D.&P.R.B.C.T.X." – DEED & PLAT RECORDS OF BECKER COUNTY, TEXAS.

NEW CITY
BLOCK 13951

PARCEL
P19-020-01
0.762 Ac.
(3196 sq. ft)

LINE DATA TABLE

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DIRECTIONAL CONTROL BASIS:

ALL BEARINGS SHOWN ARE BASED UPON THE TEXAS STATE PLANE SYSTEM (SOUTH CENTRAL ZONE NAD 83) AS DETERMINED BY GLOBAL POSITIONING SYSTEM (GPS).

THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE ABSTRACT. ADDITIONAL EASEMENTS/RESTRICTIONS MAY APPLY.

PLAT SHOWING:
BEING 0.762 ACRE (3196 SQ. FT.) OF LAND OUT OF A 22.976 ACRE TRACT SITUATED IN NEW CITY BLOCK 13951, SAN ANTONIO, BECKER COUNTY, TEXAS, ANDRecorded in Volume 1803, Page 306, Official Public Records of Real Property of Becker County, Texas.

REFERENCES:
VOL. 1803, PG. 306 (O.P.R.R.P.B.C.T.X.)
VOL. 2278, PG. 268 (O.P.R.R.P.B.C.T.X.)
VOL. 6400, PG. 79 (O.P.R.R.P.B.C.T.X.)
VOL. 7575, PG. 1283 (O.P.R.R.P.B.C.T.X.)

JOB NO.: 15018

"NOT A BOUNDARY SURVEY"

U.S. HWY. 90 WEST

(2019, A.D.)

ADALBERTO CAMARILLO, R.P.L.S. NO. 3929
REVISED MAY 15, 2019 SHEET 2 OF 2
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TEMPORARY CONSTRUCTION EASEMENT - SEWER

STATE OF TEXAS  §  KNOW ALL MEN BY THESE PRESENTS
COUNTY OF BEXAR  §

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

P19-020T3
Being a 1.940 acre (84,515 sq. ft.) tract of land out of a 22.976 acre tract situated in New City Block 13951, San Antonio, Bexar County, Texas, and recorded in Volume 18055, Page 306, Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.TX.); said 1,940 acre (84,515 sq. ft.) tract being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof;

The area described and depicted in Exhibits “A” and “B” are collectively referred to herein as the “Easement Area”.

For the purpose of using the said temporary construction easement area for any and all things necessary for the construction of the aforesaid sewer lines, facilities and appurtenances. In further consideration of this grant, said GRANTEE expressly agrees that it will remove from said land all surplus material and will cause said land to be left as nearly as possible in its condition as it existed prior to the construction of said improvements. The temporary construction easement shall expire at the completion of construction of the aforesaid improvements, demobilization and restoration work.
Together with the right of ingress and egress over said temporary construction easement area; and GRANTOR expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that, during the term of this temporary construction easement, no building or other obstruction of any kind will be placed by or for GRANTOR or its legal representatives, successors and/or assigns, within said temporary construction easement area.

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

And GRANTOR does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Signature on following page
EXECUTED effective this _____________ day of ______________, 2019.

GRANTOR:
H.G. PROPERTY MANAGEMENT, L.P.

By: Gruen Holding Company, L.L.C.
Its: Sole Member

By: ______________________________
    Herbert M. Gruen, President

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this _____________ day of ______________, 2019, by Herbert M. Gruen, the President of Gruen Holding Company, L.L.C., a Texas limited liability company, on behalf of said company, and Gruen Holding Company, L.L.C., a Texas limited liability company executed this instrument as sole general partner of HG PROPERTY MANAGEMENT, L.P., a Texas limited partnership, on behalf of said limited partnership.

__________________________________
Notary Public, State of Texas
EXHIBIT "A"

Field Notes
for a 1.940 Acre (84,515 Sq. Ft.)
Temporary Construction Easement

Being a 1.940 acre (84,515 sq. ft.) tract of land out of a 22.976 acre tract situated in New City Block 13951, San Antonio, Bexar County, Texas, and recorded in Volume 18055, Page 306, Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.TX.); said 1.940 acre (84,515 sq. ft.) tract being more particularly described as follows:

BEGINNING at a set 1/2 inch iron pin located on a common line of the said 22.976 acre tract and of a remaining portion of a 19.76 acre tract recorded in Volume 2278, Page 268, O.P.R.R.P.B.C.TX.; said iron pin being N 70°03'47" E, 303.36 feet and N 78°02'43" E, 192.79 feet along the north right-of-way line of U.S. Hwy. 90 West and N 13°50'06" W, 35.02 feet along the said common line from a found Brass Disk Monument being an angle point of the U.S. Hwy. 90 West right-of-way;

Thence N 13°50'06" W, 436.42 feet along the said common line to a 1/2 inch iron pin set for an angle point of the tract herein described;

Thence N 75°19'52" E, 63.45 feet departing the said common line to a PK nail with metal washer set for an angle point of the tract herein described;

Thence N 14°40'08" W, 13.50 feet to a PK nail with metal washer set for an angle point of the tract herein described;

Thence N 10°02'01" W, 417.13 feet to a set 1/2 inch iron pin located on a common line of the said 22.976 acre tract and of the said remaining portion of a 19.76 acre tract; said iron pin being the most westerly corner of the tract herein described;

Thence N 79°47'01" E, 30.00 feet along the said common line to a set 1/2 inch iron pin being the most northerly corner of the tract herein describe

Thence The following calls crossing the said 22.976 acre tract:

S 10°02’01” E, 416.01 feet departing the said common line to a PK nail with metal washer set for an angle point of the tract herein described;

S 14°40’08” E, 87.28 feet to a PK nail with metal washer set for an angle point of the tract herein described;

S 45°00’00” E, 40.69 feet to a PK nail with metal washer set for an angle point of the tract herein described;
S 09°17'35" E, 218.07 feet to a PK nail with metal washer set for an angle point of the tract herein described;

S 55°21'31" E, 72.18 feet to a PK nail with metal washer set for an angle point of the tract herein described;

N 79°38'31" E, 301.00 feet to a PK nail with metal washer set for an angle point of the tract herein described;

S 10°21'29" E, 100.00 feet to a set 1/2 inch iron pin located on the north right-of-way line of U.S. Hwy. 90 West and being the most easterly corner of the tract herein described;

Thence S 79°38'31" W, 80.64 feet along the said north right-of-way line to a set 1/2 inch iron pin located at the intersection with the most easterly line of an existing variable width water, sanitary sewer, and recycled water easement recorded in Volume 7575, Page 1283, O.P.R.R.P.B.C.TX.; said iron pin being an angle point of the tract herein described;

Thence N 10°21'29" W, 35.00 feet departing the said north right-of-way line and along the said easterly easement line to a PK nail with metal washer set at the intersection with the northerly line of the said variable width easement; said PK nail being an angle point of the said easement and of the tract herein described;

Thence The following calls along the northerly line of the variable width easement:

S 79°38'31" W, 351.90 feet departing the said easternmost easement line to a 1/2 inch iron pin set for an angle point of the said easement end of the tract herein described;

S 78°02'43" W, 10.94 feet to the POINT OF BEGINNING and containing 1.940 acres (84,515 sq. ft.) of land, more or less.

“Not a Boundary Survey”

[Signature]

Adalberto Camarillo
Registered Professional Land Surveyor No. 3929.
TBPLS FIRM #100423-00
March 14, 2019
Revised May 15, 2019
EXHIBIT "B"

POZNECKI–CAMARILLO, INC.
PAPE–DAWSON ENGINEERS, INC.

PROJECT NAME: SAN ANTONIO WATER SYSTEM
PARCEL No.: W-1 LEON CREEK – HWY. 151 TO HWY. 90
OWNER: P19-020T3
HG PROPERTY MANAGEMENT, LP

NOTES:
1. "SIP" DENOTES SET 1/2" IRON PIN.
2. "SET PK" DENOTES A PK NAIL WITH METAL WASHER STAMPED "PK".
3. "ALC" DENOTES FOUND ALUMINUM CAP MONUMENT.
4. "FIP" DENOTES FOUND IRON PIN.
7. "D.B.C.T.X." – DEED RECORDS OF BECKER COUNTY, TEXAS.

NEW CITY BLOCK 13951

PARCEL P19-020T3
1.940 Ac. (6,595 sq. ft.)

A REMAINING PORTION OF
VOL. 2278 / PG. 268
(D.A.P.R.R.P.B.C.T.X.)

22,976 AC.
VOL. 18055 / PG. 306
(D.A.P.R.R.P.B.C.T.X.)

VARIABLE WIDTH DRAINAGE EASEMENT
VOL. 6400 / PG. 79
(D.A.P.R.R.P.B.C.T.X.)

CREK

POINT OF BEGINNING
PARCEL P19-020T3

VARIABLE WIDTH WATER, SANITARY SEWER, AND RECYCLED WATER EASEMENT
VOL. 7275 / PG. 1283
(D.A.P.R.R.P.B.C.T.X.)

DIRECTIONAL CONTROL BASIS:
ALL BEARINGS SHOWN ARE BASED UPON THE TEXAS STATE PLANE SYSTEM (SOUTH CENTRAL ZONE NAD 83) AS DETERMINED BY GLOBAL POSITIONING SYSTEM (GPS).

THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE ABSTRACT. ADDITIONAL EASEMENTS/RESTRICTIONS MAY APPLY.

PLAT SHOWING:
BEING A 1.940 ACRE (6,595 SQ. FT.) TRACT OF LAND OUT OF A 22.976 ACRE TRACT SITUATED IN NEW CITY BLOCK 13951, SAN ANTONIO, BECKER COUNTY, TEXAS, AND RECORDED IN VOLUME 18055, PAGE 306, OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF BECKER COUNTY, TEXAS.

REFERENCES:
VOL. 18055, PG. 306 (D.A.P.R.R.P.B.C.T.X.)
VOL. 2278, PG. 268 (D.A.P.R.R.P.B.C.T.X.)
VOL. 6400, PG. 79 (D.A.P.R.R.P.B.C.T.X.)
VOL. 7275, PG. 1283 (D.A.P.R.R.P.B.C.T.X.)

JOB NO.: 15018

"NOT A BOUNDARY SURVEY"
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 E-16 WURZBACH PARKWAY SEWER AT HIGHWAY 281 PIPELINE SEGMENT PROJECT A PUBLIC NECESSITY

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution requests the San Antonio City Council declare the San Antonio Water System’s (SAWS) E-16 Wurzbach Parkway Sewer at Highway 281 Project (the “Project”) a public necessity to obtain for public use, the permanent 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.

- SAWS entered into a Consent Decree (CD) with the Environmental Protection Agency. The CD requires SAWS to plan and execute improvements to SAWS Wastewater Collection and Transportation System. SAWS is obligated by its consent decree to remediate field verified capacity constraints. The Project remediates a field verified capacity constraint that will be included in the capacity remedial measures plan.

- The Project consists of constructing approximately 6,600 feet of pipe, of which approximately 2,900 feet is 78-inch, in-line storage pipe, 1,900 feet is 27-inch pipe, and 925 feet is 24-inch pipe, along with lesser amounts of 8, 12, 36, and 42-inch pipe. The Project route extends from a point southwest of the intersection of U.S. Highway 281 and Wurzbach Parkway and proceeding upstream along North Loop Road, crossing West Avenue and continuing through Walker Ranch Park to a point southeast of the intersection of Blanco Road and Wurzbach Parkway.

- The Project will require the acquisition of real property being a total of approximately five parcels (three permanent easements, and two temporary easements), two of which are privately owned.

- SAWS intends to use every effort available to obtain the required permanent and temporary easement land rights 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 route description is set out in Attachment II to the Resolution, both 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 finance this expenditure included in the CY 2021 Capital Improvement Program. This additional work is included in the Wastewater Core Business, Mains - Replacement project budget line.

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 System has determined that acquisition of the Easements are 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 is 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 parcels of the 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 parcels of the 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. 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 this 6th day of August, 2019.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Patricia E. Merritt, Assistant Secretary

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

Route Description

The Project route extends from a point southwest of the intersection of U.S. Highway 281 and Wurzbach Parkway and proceeding upstream along North Loop Road, crossing West Avenue and continuing through Walker Ranch Park to a point southeast of the intersection of Blanco Road and Wurzbach Parkway, in the northeast quadrant of Bexar County.

Project Located In: NCB 11790, 12059, 16816, 16325, 17261, 17184, 12694, 13494
TO: San Antonio Water System Board of Trustees

FROM: Juan D. Gomez, Ph.D., P.E., Director, Plants and Major Projects, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE BROADBAND ACCESS POINTS AND PROGRAMMABLE LOGIC CONTROLLERS REPLACEMENT – PHASE 2 PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 18-034 by authorizing additional funds to an existing professional services contract with Signature Automation, LLC, a local, MBE-Hispanic firm, in an amount not to exceed $876,000.00 for additional engineering design services in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 2 Project (the “Project”).

- By Resolution No. 18-034, passed and approved on February 6, 2018, the San Antonio Water System’s (the “System”) Board of Trustees approved a professional services contract in an amount not to exceed $825,000.00 with Signature Automation, LLC in connection with the Project.

- The System’s Supervisory Control and Data Acquisition (SCADA) system allows for the remote control and monitoring of Water Production facilities. The SCADA system utilizes programmable logic controllers (PLCs) and a radio communication system to accomplish this.

- It is necessary to replace PLCs and radios at 17 additional Water Production facilities. These PLCs and radios need to be replaced as part of this Project due to staffing limitations that preclude this work from being done in-house.

- It is also necessary to upgrade the chlorine leak monitoring system at 38 Water Production facilities. These upgrades are necessary to provide comprehensive and remote monitoring of the chlorine system at these facilities. This allows staff to maintain operational continuity and respond to events safely.

- By amending this contract, the System will be able to expedite the design for the replacement of these additional PLCs, radios, and the necessary upgrades of the chlorine leak monitoring systems. This will allow prompt implementation of required changes in
Approval of Additional Funds
Broadband Access Points and Programmable Logic Controllers
Replacement – Phase 2 Project

support of Operations staff.

- Additional funding in an amount not to exceed $876,000.00 is available from the Project Fund.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2019 Capital Improvements Program. The project is included in the Water Delivery Core Business, Production Category budget line item. The amount is $876,000.00 for professional services. The job number is 17-6003. The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 18-034)</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 new contract amount is $1,701,000.00. This represents a 106.18 percent increase to the original contract amount.

Juan D. Gomez, Ph.D., 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 I
SAN ANTONIO WATER SYSTEM
PROJECT AREA MAP
ATTACHMENT II

BROADBAND ACCESS POINTS AND PROGRAMMABLE LOGIC CONTROLLERS REPLACEMENT – PHASE 2 PROJECT

Legend
★ PROJECT SITES
Edwards Aquifer Recharge Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING ADDITIONAL FUNDS TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH SIGNATURE AUTOMATION, LLC IN AN AMOUNT NOT TO EXCEED $876,000.00 IN CONNECTION WITH THE BROADBAND ACCESS POINTS AND PROGRAMMABLE LOGIC CONTROLLERS REPLACEMENT – PHASE 2 PROJECT; APPROVING THAT AN AMOUNT NOT TO EXCEED $876,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE PROJECT 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 SIGNATURE AUTOMATION, LLC, AND TO PAY SIGNATURE AUTOMATION, LLC AN ADDITIONAL AMOUNT NOT TO EXCEED $876,000.00 FOR 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, on February 6, 2018, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution No. 18-034, approved a professional services contract with Signature Automation, LLC in an amount not to exceed $825,000 in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 2 Project (the “Project”); and

WHEREAS, additional funding to the existing professional services contract with Signature Automation, LLC in an amount not to exceed $876,000.00 is required to provide additional professional services; and

WHEREAS, an amount not to exceed $876,000.00 is available from the Project Fund for the additional professional services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve additional funds to the existing professional services contract with Signature Automation, LLC in an amount not to exceed $876,000.00 in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 2 Project, (ii) to make available an amount not to exceed $876,000.00 from the Project Fund for the 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 Signature Automation, LLC, and to pay Signature Automation, LLC an amount not to exceed $876,000.00 for the additional professional services; now, therefore:

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

1. That Resolution No. 18-034 is hereby amended to provide additional funds to the existing professional services contract with Signature Automation, LLC in an amount not to exceed $876,000.00 in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 2 Project.

2. That an amount not to exceed $876,000.00 is hereby made available and is to be expended from the Project Fund for the additional professional services.

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 Signature Automation, LLC, and to pay Signature Automation, LLC an amount not to exceed $876,000.00 in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 2 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 6th day of August, 2019.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary
AGENDA ITEM NO. 23

TO: San Antonio Water System Board of Trustees

FROM: Nancy Belinsky, Vice President and General Counsel

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

SUBJECT: APPROVING SETTLEMENT AGREEMENTS WITH MERCHANTS NATIONAL BONDING, INC. AND HORIZON BROS. PAINTING CORP. IN CONNECTION WITH THE NACO GROUND STORAGE TANK REHABILITATION PROJECT AND THE MALSTBERGER TANK REHABILITATION PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves three Settlement Agreements in regards to the above referenced projects. On August 7, 2018, by Resolution No. 18-184, the San Antonio Water System’s (“System”) Board of Trustees (the “Board”) awarded a construction contract to Horizon Bros. Painting Corp. (“Horizon”) for the Central Water Integration Pipeline Project - Maltsberger Ground Storage Tank Rehabilitation Project (the “Maltsberger Project”) in the amount of $1,687,400.00. In addition, on the same date the Board awarded to Horizon, by Resolution No. 18-185, a contract in the amount of $1,748,110.00 for the Naco Ground Storage Tank Rehabilitation Project (the “Naco Project”; the Naco Project and the Maltsberger Project being collectively referred to as the “Projects”).

- On June 13, 2019, Merchants National Bonding, Inc. (“ Merchants”), the Surety that provided the Performance and Payment Bonds on the Projects for Horizon, informed the System that Horizon was not capable of completing the work on the Projects.

- On June 30, 2019, Horizon notified the System that they were voluntarily and irrevocably defaulting on their contracts for the Projects.

- Kimley-Horn and Associates, Inc., the consulting engineer for the System on the Naco Project, provided an opinion of probable cost to complete the work on the Naco Project in the amount of $2,160,000.00 (the “Engineer’s Estimate”).

- Archer Western Construction, LLC, who is currently performing other work at the Maltsberger Pump Station, provided a price proposal for a change order to their existing contract to complete the work on the Maltsberger Project in the amount of $2,764,411.00.

- Based on the amounts to complete the Projects, Merchants has agreed to pay the System (i) the entire penal sum of the performance bond for the Maltsberger Project in the amount of $1,687,400.00, which together with the unpaid funds the System has
remaining for the Maltsberger Project, totals $2,730,235.35, and (ii) the amount of $1,105,088.00 for the Naco Project, which together with the unpaid funds the System has remaining for the Naco Project, totals the Engineer’s Estimate. Under the settlement agreements, Merchants and the System will mutually release each other from any further obligations under the Performance Bonds, but Merchant’s will continue to be responsible for its obligations under the Payment Bonds for the Projects.

- Horizon has agreed to not file for bankruptcy for a period of six months from the date of the agreement and to voluntarily acknowledge their default on their contract obligations in exchange for the parties’ mutual release of all of their contract obligations, including Horizon’s warranty of the work.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The System will receive payment of $1,687,400.00 for the Maltsberger Project and $1,105,088.00 for the Naco Project, all of which will be deposited in the System Fund.

Nancy Belinsky  
Vice President and General Counsel

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING SETTLEMENT AGREEMENTS WITH MERCHANTS NATIONAL BONDING, INC. AND HORIZON BROS. PAINTING CORP. AND THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE SETTLEMENT AGREEMENTS AND TO EXECUTE ALL DOCUMENTS AND TAKE ALL ACTIONS NECESSARY TO IMPLEMENT THE AGREEMENTS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, On August 7, 2018, by Resolution No. 18-184, the San Antonio Water System’s (the “System”) Board of Trustees (the “Board”) awarded a construction contract to Horizon Bros. Painting Corp. (“Horizon”) for the Central Water Integration Pipeline Project - Maltsberger Ground Storage Tank Rehabilitation Project (the “Maltsberger Project”) in the amount of $1,687,400.00. In addition, on the same date the System’s Board awarded to Horizon, by Resolution No. 18-185, a contract in the amount of $1,748,110.00 for the Naco Ground Storage Tank Rehabilitation Project (the “Naco Project”; the Naco Project and the Maltsberger Project being collectively referred to as the “Projects”); and

WHEREAS, on June 13, 2019, Merchants National Bonding, Inc. (“Merchants”) the Surety that provided the Performance and Payment Bonds on the Projects for Horizon informed the System that Horizon was not capable of completing the work on the Projects; and

WHEREAS, on June 30, 2019, Horizon notified the System that they were voluntarily and irrevocably defaulting on their contracts for the Projects; and

WHEREAS, Kimley-Horn and Associates, Inc., the consulting engineer for the System on the Naco Project, provided an opinion of probable cost to complete the work on the Naco Project in the amount of $2,160,000.00; and

WHEREAS, Archer Western Construction, LLC, who is currently performing other work at the Maltsberger Pump Station, provided a final price proposal for a change order to their existing contract to complete the work on the Maltsberger Project in the amount of $2,764,411.00; and

WHEREAS, based on the amounts to complete the Projects, Merchants has agreed to pay the System (i) the entire penal sum of the performance bond for the Maltsberger Project in the amount of $1,687,400.00, which together with the unpaid funds the System has remaining for
the Maltsberger Project, totals $2,730,235.35, and (ii) the amount of $1,105,088.00 for the Naco Project, which together with the unpaid funds the System has remaining for the Naco Project, totals the Engineer’s Estimate; and

WHEREAS, under the settlement agreements, Merchants and the System will mutually release each other from any further obligations under the Performance Bonds, but Merchant’s will continue to be responsible for its obligations under the Payment Bonds for the Projects; and

WHEREAS, Horizon has agreed to not file bankruptcy for a period of six months from the date of the settlement agreement and to voluntarily acknowledge their default on their contract obligations in exchange for the parties’ mutual release of their contract obligations, including Horizon’s warranty of the work; and

WHEREAS, the San Antonio Water System Water Board of Trustees desires (i) to approve the settlement agreements in substantially the forms attached to this Resolution as Attachments 1, 2 and 3 (collectively, the “Settlement Agreements”), (ii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute all documents and to take all actions necessary to implement the Settlement Agreements and to perform all obligations of the System provided by the terms of the Settlement Agreements; now, therefore:

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

1. That the Settlement Agreements are hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Settlement Agreements in a form substantially similar to those that are attached to this Resolution as Attachments 1, 2 and 3.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all other documents and to take all actions that are reasonable or necessary to implement the terms of the Settlement Agreements and to perform the obligations of the System as provided by the terms of the Settlement Agreements.

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

5. If any section, paragraph, sentence, phrase 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 6th day of August, 2019.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Assistant Secretary

Attachments:

1. Maltsberger Agreement
2. Naco Agreement
3. Horizon Agreement
AGREEMENT

This Agreement is made in duplicate this ___ day of July 2019 by and between The San Antonio Water System Board of Trustees (“SAWS”) and Merchants National Bonding, Inc. (“Merchants”).

WHEREAS, SAWS entered into a Contract (hereinafter called the “Original Contract”) with Horizon Bros. Painting Corp. (hereinafter called “Horizon”) for the Maltsberger Tank Rehabilitation Project (the “Project”); and

WHEREAS, Merchants, as surety, executed and delivered to SAWS a Performance Bond, No. NTX6432 and a Payment Bond, No. NTX6432, each in the penal sum of $1,687,400.00 in connection with the Original Contract; and

WHEREAS, by letter dated June 30, 2019, Horizon notified SAWS that it was voluntarily and irrevocably defaulting on the Original Contract and requested that SAWS contact Merchants; and

WHEREAS, Merchants and SAWS desire to effect completion of the Original Contract, to preserve continuity of performance, and to expedite completion of the Project; and

WHEREAS, a balance of $1,042,835.35 remains in the Original Contract (“Contract Balance”); and

WHEREAS, SAWS has obtained a bid from Archer Western Construction, LLC to complete the Original Contract for a price of $2,764,411.00 (“Archer Bid”); and

WHEREAS, after the Contract Balance is deducted from the Archer Bid, the excess cost to complete is $1,798,918.65 (“Excess Cost”); and

WHEREAS, Merchants’ liability to SAWS on its Performance Bond is limited to the penal sum of the Performance Bond; and
WHEREAS, the Excess Cost exceeds the penal sum of the Performance Bond; and

WHEREAS, SAWS and Merchants desire to enter into this Agreement in satisfaction of Merchants’ obligations under the Performance Bond.

NOW, THEREFORE, in consideration of the payment to be made and the mutual covenants, conditions and agreements set forth below, Merchants and SAWS agree as follows:

1. SAWS and Merchants agree that the Archer Bid represents the fair and reasonable cost to complete the Original Contract.

2. The Excess Cost exceeds the penal sum of the Performance Bond, which is the limit of Merchants’ liability to SAWS under its Performance Bond. Accordingly, Merchants agrees to pay SAWS the lump sum amount of $1,687,400.00, which is the penal sum of the Performance Bond. Merchants will remit payment of the $1,687,400.00 referenced in this Paragraph to SAWS within five (5) business days of execution of this Agreement.

3. In exchange for the payment referred to in Paragraph 2, SAWS and Merchants expressly release, acquit and forever discharge one another and their respective agents, employees, predecessors, successors, sureties, attorneys, consultants, insurers and corporations affiliated with them, from any and all claims, demands, or suits of whatever kind or nature, now or in the future, whether known or unknown, arising out of or in any way connected with the Performance Bond, Project or Original Contract. SAWS expressly reserves, and nothing herein shall waive or modify, any and all rights, claims, or causes of action that SAWS has or may have against Horizon.

4. Upon receipt by SAWS of the payment referred to in Paragraph 3 the Performance Bond shall be deemed to be of no force and effect and SAWS will return the original Performance Bond to Merchants marked “CANCELLED.”
5. Merchants acknowledges and agrees that its Payment Bond shall continue to remain in full force and effect in accordance with its terms, subject to any rights and defenses available to Merchants. It is expressly agreed that the Payment Bond shall not apply to or cover any claims, of whatever kind or nature, for any labor used by or material delivered to the Project after the date that Horizon’s contract was terminated.

6. SAWS agrees to reasonably cooperate with Merchants by providing any information in SAWS’s possession, if any, that Merchants reasonably believes may be relevant to the resolution and investigation of claims under the Payment Bond.

7. This Agreement constitutes the whole of the understandings, discussions and agreements by and between Merchants and SAWS with respect to the subject matter of this Agreement. Merchants and SAWS acknowledge that there have been no oral, written or other agreements of any kind as a condition precedent to or to induce the execution and delivery of this Agreement. Any written or oral discussions conducted prior to the effective date of this Agreement shall not in any way vary or alter the terms of this Agreement. The provisions of this Agreement are contractual and are not mere recitals.

8. This Agreement may not be changed, amended or altered in any way except by a writing executed by both Merchants and SAWS. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

9. Merchants and SAWS acknowledge that they have had the advice of counsel with respect to the subject matter of this Agreement. Merchants and SAWS, together with the respective attorneys, jointly participated in the drafting of this Agreement and the terms of this Agreement shall not be construed in favor of or against any party on the basis that such party did or did not draft this Agreement or any attachment to it. To the extent any term, covenant,
condition, or provision of this Agreement is determined to be illegal, invalid, or unenforceable for any reason, the illegality, invalidity, or unenforceability shall not affect the legality, validity, or enforceability of the remaining terms, covenants, conditions, or provisions of this Agreement.

10. Merchants and SAWS represent and warrant that they have the power and authority to enter into and perform the terms and conditions of this Agreement, and to bind themselves to this Agreement.

11. This Agreement may be executed in counterparts, and it shall be effective when both Merchants and SAWS have executed their respective counterparts. Facsimile, electronic and photocopy signatures are effective and acceptable as original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth on the first page of this agreement.

Attest: THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

By: ________________________  By: ________________________
__________________________________  ________________________

Attest: MERCHANTS NATIONAL BONDING, INC.

By: ________________________
__________________________________

By: ________________________
This Agreement is made in duplicate this ___ day of July 2019 by and between The San Antonio Water System Board of Trustees (“SAWS”) and Merchants National Bonding, Inc. (“Merchants”).

WHEREAS, SAWS entered into a Contract (hereinafter called the “Original Contract”) with Horizon Bros. Painting Corp. (hereinafter called “Horizon”) for the Seguin Road to Nacogdoches Road Ground Storage Tank Rehabilitation Project (the “Project”); and

WHEREAS, Merchants, as surety, executed and delivered to SAWS a Performance Bond, No. NTX6418 and a Payment Bond, No. NTX6418, each in the penal sum of $1,748,110.60 in connection with the Original Contract; and

WHEREAS, by letter dated June 30, 2019, Horizon notified SAWS that it was voluntarily and irrevocably defaulting on the Original Contract and requested that SAWS contact Merchants; and

WHEREAS, Merchants and SAWS desire to effect completion of the Original Contract, to preserve continuity of performance, and to expedite completion of the Project; and

WHEREAS, a balance of $1,054,912.24 remains in the Original Contract; and

WHEREAS, SAWS has obtained from its engineer, Kimley Horn, an estimated cost to complete the Original Contract of $2,160,000.00 (“Estimate”); and

WHEREAS, SAWS and Merchants desire to enter into this Agreement in satisfaction of Merchants’ obligations under the Performance Bond.

NOW, THEREFORE, in consideration of the payment to be made and the mutual covenants, conditions and agreements set forth below, Merchants and SAWS agree as follows:
1. SAWS and Merchants agree that the Estimate represents the fair and reasonable cost to complete the Original Contract.

2. Merchants agrees to pay SAWS the lump sum amount of $1,105,088.00, representing the difference between the Estimate and the remaining contract balance of $1,054,912.24 in the Original Contract. Merchants will remit payment of the $1,105,088.00 referenced in this Paragraph to SAWS within five (5) business days of execution of this Agreement.

3. In exchange for the payment referred to in Paragraph 2, SAWS and Merchants expressly release, acquit and forever discharge one another and their respective agents, employees, predecessors, successors, sureties, attorneys, consultants, insurers and corporations affiliated with them, from any and all claims, demands, or suits of whatever kind or nature, now or in the future, whether known or unknown, arising out of or in any way connected with the Performance Bond, Project or Original Contract. SAWS expressly reserves, and nothing herein shall waive or modify, any and all rights, claims or causes of action that SAWS has or may have against Horizon.

4. Upon receipt by SAWS of the payment referred to in Paragraph 3 the Performance Bond shall be deemed to be of no force and effect and SAWS will return the original Performance Bond to Merchants marked “CANCELLED.”

5. Merchants acknowledges and agrees that its Payment Bond shall continue to remain in full force and effect in accordance with its terms, subject to any rights and defenses available to Merchants. It is expressly agreed that the Payment Bond shall not apply to or cover any claims, of whatever kind or nature, for any labor used by or material delivered to the Project after the date that Horizon’s contract was terminated.
6. SAWS agrees to reasonably cooperate with Merchants by providing any information in SAWS’s possession, if any, that Merchants reasonably believes may be relevant to the resolution and investigation of claims under the Payment Bond.

7. This Agreement constitutes the whole of the understandings, discussions and agreements by and between Merchants and SAWS with respect to the subject matter of this Agreement. Merchants and SAWS acknowledge that there have been no oral, written or other agreements of any kind as a condition precedent to, or to induce the execution and delivery of this Agreement. Any written or oral discussions conducted prior to the effective date of this Agreement shall not in any way vary or alter the terms of this Agreement. The provisions of this Agreement are contractual and are not mere recitals.

8. This Agreement may not be changed, amended or altered in any way except by a writing executed by both Merchants and SAWS. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

9. Merchants and SAWS acknowledge that they have had the advice of counsel with respect to the subject matter of this Agreement. Merchants and SAWS, together with the respective attorneys, jointly participated in the drafting of this Agreement and the terms of this Agreement shall not be construed in favor of or against any party on the basis that such party did or did not draft this Agreement or any attachment to it. To the extent any term, covenant, condition, or provision of this Agreement is determined to be illegal, invalid, or unenforceable for any reason, the illegality, invalidity, or unenforceability shall not affect the legality, validity, or enforceability of the remaining terms, covenants, conditions, or provisions of this Agreement.
10. Merchants and SAWS represent and warrant that they have the power and authority to enter into and perform the terms and conditions of this Agreement, and to bind themselves to this Agreement.

11. This Agreement may be executed in counterparts, and it shall be effective when both Merchants and SAWS have executed their respective counterparts. Facsimile, electronic and photocopy signatures are effective and acceptable as original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth on the first page of this agreement.
SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made and entered into on this ___ day of ____, 2019 by and between San Antonio Water System (“SAWS”) and Horizon Bros. Painting Corp. (“Horizon”)

WHEREAS, Horizon and SAWS entered into an Agreement for work upon (1) San Antonio Water System Board of Trustees-Maltsberger Ground Storage and (2) San Antonio Water System Board of Trustees-Naco Ground Storage Tank (“Both Projects”);

WHEREAS, a dispute has arisen between Horizon and SAWS in regard to Both Projects;

WHEREAS, SAWS suspended work on Both Projects on June 13, 2019;

WHEREAS, SAWS issued a ten-day Notice of Termination on June 21, 2019 on Both Projects pursuant to Article 4.6.2 of the Contract;

WHEREAS, Horizon’s surety, Merchants National Bonding, Inc. (“Merchants”) has issued Performance Bonds and Payment Bonds for both Projects, designated as No. NTX6432 for the Performance Bond and Payment Bond for the Maltsberger Project and designated as No. NTX6418 for the Performance Bond and Payment Bond for the Naco Project, copies which Performance Bonds and Payment Bonds are included in Exhibit 1;

WHEREAS, Horizon and SAWS wish to amicably resolve their dispute through this Settlement Agreement and have Merchants complete Both Projects;

NOW, THEREFORE, in consideration of the agreements, the receipt, sufficiency, and adequacy having been acknowledged by all parties, and covenants set forth herein, Horizon and SAWS agree as follows:

1. Horizon represents that Exhibit 2 includes true and correct copies of Horizon’s 2017 and 2018 Income Tax Returns;
2. Horizon agrees to immediately voluntarily and irrevocably surrender its right to remain in possession and control of the aforementioned projects to Merchants to complete the Both Projects, and simultaneous with the execution of this Agreement has delivered to SAWS and Merchants letters acknowledging its voluntary declaration of default on Both Projects, copies of which letters are attached hereto in Exhibit 3 and based on this voluntary declaration of default agrees to the immediate termination of the contracts on Both Projects;

3. Horizon agrees to immediately irrevocably assign to Merchants any and all remaining contract balances on Both Projects, including all earned, unearned or retainage on them;

4. Horizon agrees that it shall not voluntarily file any proceeding under any chapter of Title 11 of the United States Code for six (6) months from the Effective Date of this Agreement;

5. Except as provided in Paragraph 6, below, and in consideration of the understandings and commitments set forth in this agreement, and for other consideration, the sufficiency of which is recognized, Horizon and SAWS, and each of their agents, principals, employees, predecessors, successors, insurers, attorneys, sureties, re-insurers, heirs, executors or assigns, hereby mutually release and forever discharge one another from any and all claims, debts, demands, actions, cause of action, suits, contracts, bonds, sums of money, accounts, fees (including but not limited to attorney, accounting, and consultant fees), costs, payments, penalties, covenants, controversies, agreements, promises, acts and omissions, damages, liabilities and any and all other claims of every kind, nature and description whatsoever, both at law and in equity, whether known and unknown, which Horizon and SAWS now has, may have or ever had against one another arising out of, relating or pertaining to, or in any way connected with Both Projects;

6. The releases provided in Paragraph 5, above, shall be subject to the absolute condition precedent that SAWS shall have negotiated and entered into an agreement with Merchants on the
performance bond. Notwithstanding Paragraph 5 above, SAWS does NOT release, and hereby expressly reserves all rights, claims and causes of action for damages or losses arising out of or in any way related to the default of Horizon under the contracts for Both Projects, for the purpose of asserting such rights, claims and causes of action against Horizon’s surety, Merchants, pursuant to the Performance Bonds, and SAWS hereby expressly reserves all rights and remedies against Merchants under the Performance Bonds until such rights, claims and causes of action are fully resolved as between SAWS and Merchants. Further, nothing herein shall release the Payment Bonds, which shall continue in full force and effect;

7. Horizon represents and agrees that Merchants has the right and authority to negotiate, and Horizon consents to any agreement to be negotiated between Merchants and SAWS in fulfillment of Merchants’ liability to SAWS on the Performance Bonds and/or the resolution of Merchant’s liability to SAWS under the Performance Bonds. Horizon waives all further notice of and any right to consent to or approve of any agreement reached between SAWS and Merchants in relation to the Performance Bonds and/or the resolution of Merchants’ liability for SAWS’ damages and losses arising out of Horizon’s default on the Projects;

8. This Agreement constitutes the whole of the understandings, discussions and agreements by and between Horizon and SAWS with respect to the subject matter of this agreement. Horizon and SAWS acknowledge that there have been no oral, written or other agreements of any kind as a condition precedent to, or to induce the execution and delivery of this Agreement. Any written or oral discussions conducted prior to the effective date of this Agreement shall not in any way vary or alter the terms of this Agreement. The provisions of this Agreement are contractual and are not mere recitals;
9. This Agreement may not be changed, amended or altered in any way except by a writing executed by both Horizon and SAWS. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns;

10. Horizon and SAWS acknowledge that they have had the advice of counsel with respect to the subject matter of this Agreement. Horizon and SAWS, together with the respective attorneys, jointly participated in the drafting of this Agreement and the terms of this Agreement shall not be construed in favor of or against any party on the basis that such party did or did not draft this Agreement or any attachment to it. To the extent any term, covenant, condition, or provision of this Agreement is determined to be illegal, invalid, or unenforceable for any reason, the illegality, invalidity, or unenforceability shall not affect the legality, validity, or enforceability of the remaining terms, covenants, conditions, or provisions of this Agreement;

11. Horizon and SAWS represent and warrant that they have the power and authority to enter into and perform the terms and conditions of this Agreement, and to bind themselves to this Agreement;

12. This Agreement may be executed in counterparts, and it shall be effective when both Horizon and SAWS have executed their respective counterparts. Facsimile, electronic and photocopy signatures are effective and acceptable as original signatures;

13. As to any legal action or proceeding to enforce this Agreement, Horizon and SAWS consent to the general jurisdiction of the state courts of Texas, and Horizon waives any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue, forum non conveniens or any similar basis.

IN WITNESS WHEREOF, this Settlement and Release Agreement has been executed on this ___ day of _______, 2019.
ATTACHMENT 3

San Antonio Water System

___________________ Dated:_____________
By: 
Its: 

Horizon Bros. Painting Corp.

___________________ Dated:_____________
By: 
Its: 

DRAFT
KNOW ALL MEN BY THESE PRESENTS:

That Horizon Bros. Painting Corp., 1053 Kendra Ln., Howell, MI 48843 (hereinafter called "Principal"), as Principal, and Merchants National Bonding Inc., a Corporation organized and existing under the laws of the State of Iowa, with its principal office in the City of Des Moines, and authorized under the laws of the State of Texas to act as surety on bonds for principals (hereinafter called "Surety"), are held and firmly bound unto THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, San Antonio, Bexar County, Texas (hereinafter called "Owner/Obligee"), in the amount of One Million, Six Hundred Eighty-Seven Thousand, Four Hundred and 00/100 Dollars ($1,687,400.00), for the payment whereof, Principal and Surety firmly bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, by these presents:

WHEREAS, Principal has entered into a certain written contract with the Owner/Obligee, dated the 7th day of August, 2018, consisting of Job No. 18-3611 and Contract No. CO-00183-01: Central Water Integration Pipeline Project - Maltzberger Ground Storage Tank Rehabilitation (hereinafter called "the Contract"), which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if Principal shall faithfully perform the work in accordance with the plans, specifications and Contract Documents, then this obligation shall be void; otherwise to remain in full force and effect.

NOW, THEREFORE, if Principal shall repair any and all defects in said work, occasioned by and resulting from defect in materials furnished by, or workmanship of, Principal in performance of the work covered by the Contract, occurring during a period of within 24 months from the date of the Contract Completion Specifications, herein this obligation shall be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 10, Chapter 2253, as amended, of the Texas Government Code, and all liabilities on this bond shall be determined in accordance with the provisions of this Chapter, to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, or other waiver or amendment of the terms of the Contract or to the work to be performed thereunder, nor any change in the method nor any change in the method or amount of payments stipulated to be made by Owner/Obligee under the Contract, shall relieve Surety of its obligations hereunder, and Surety hereby waives notice of any such change, extension of time, waiver or amendment of the terms of the Contract or to the work to be performed thereunder. The bond shall be automatically extended in time, without formal and separate amendment, to cover such full and faithful performance of the Contract in the event of modification of the Contract, regardless of the length of time involved.

IN WITNESS WHEREOF, the Principal and Surety have signed and sealed this instrument on 7th day of August, 2018.

Horizon Bros. Painting Corp.  
By:  
President  
Address: 1053 Kendra Ln.  
Howell, MI 48843

Merchants National Bonding Inc.  
By:  
Surety  
Title: Attorney-in-Fact  
Address: P.O.Box 14498  
Des Moines, IA 50306

Name, Address and Telephone Number of Resident Agent of Surety:

Scott D. Chapman, USI Insurance Services, LLC, 25025 N. I-45 Freeway, Ste 525, The Woodlands, TX 77380, (832) 702-8344

Rev. 02/20/18
STATUTORY PERFORMANCE BOND

Pursuant to Vernon's Texas Government Code
Title 10, Chapter 2253, as amended
(Penalty of this Bond must be 100% of Contract Award)

KNOW ALL MEN BY THESE PRESENTS:

That Horizon Bros. Painting Corp. 1053 Kendra Ln., Howell, MI 48843 (hereinafter called "Principal"), as Principal, and Merchants National Bonding Inc., a Corporation organized and existing under the laws of the State of Iowa, with its principal office in the City of Des Moines, and authorized under the laws of the State of Texas to act as surety on bonds for principals (hereinafter called "Surety"), are held and firmly bound unto THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, San Antonio, Bexar County, Texas (hereinafter called "Owner/Obligee"), in the amount of one million, seven hundred forty-eight thousand, one hundred ten and 00/100 Dollars ($1,748,110.00), for the payment whereof, Principal and Surety firmly bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, by these presents:

WHEREAS, Principal has entered into a certain written contract with the Owner/Obligee, dated the 7th day of August, 2018, consisting of Job No. 17-0113 and Contract No. C-18-008-JAM: Naco Ground Storage Tank Rehabilitation (hereinafter called "the Contract"), which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal shall faithfully perform the work in accordance with the plans, specifications and Contract Documents, then this obligation shall be void; otherwise to remain in full force and effect.

NOW, THEREFORE, if Principal shall repair any and all defects in said work so occasioned by and resulting from defect in materials furnished by, or workmanship of, Principal in performance of the work covered by the Contract, occurring during a period of within 24 months from the date of the Contract Completion Certification, therein this obligation shall be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provision of Title 10, Chapter 2253, as amended, of the Texas Government Code, and all liabilities on this bond shall be determined in accordance with the provisions of this Chapter, to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, or other waiver or amendment of the terms of the Contract or to the work to be performed thereunder, nor any change in the method nor any change in the method or amount of payments stipulated to be made by Contractor under the Contract, shall relieve Surety of its obligations hereunder; and Surety hereby waives notice of any such change, extension of time, waiver or amendment of the terms of the Contract or to the work to be performed thereunder. The bond shall be automatically extended in time, without formal and separate amendment, to cover all and final performance of the Contract in the event of modification of the Contract, regardless of the length of time involved.

IN WITNESS WHEREOF, Principal and Surety have signed and sealed this instrument on 26th day of July, 2018.

Horizon Bros. Painting Corp.

By: ____________________________

Principal

Title

Address: 1053 Kendra Ln., Howell, MI 48843

Merchants National Bonding Inc.

By: ____________________________

Surety

Title: Susan L. Small, Attorney-In-Fact

Address: P.O. Box 14498

Des Moines, IA 50306

Name, Address and Telephone Number of Resident Agent of Surety:

Scott D. Chapman, USI Insurance Services, LLC, 25025 N. I-45 Freeway, Ste 525, The Woodlands, TX 77380, (832) 702-8344

Rev. 02/20/18
AGENDA ITEM NO. 24

TO: San Antonio Water System Board of Trustees

FROM: Alissa R. Lockett, P.E., Director, Vista Ridge Integration, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF CHANGE ORDER NO. 2 IN CONNECTION WITH THE CENTRAL WATER INTEGRATION PIPELINE – MALTSBERGER PUMP STATION IMPROVEMENTS PROJECT

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 2 in an amount not to exceed $2,764,411.00 to the construction contract with Archer Western Construction, LLC, a local, non-SMWVB contractor, in connection with the Central Water Integration Pipeline – Maltsberger Pump Station Improvements Project.

- On October 9, 2018, by Resolution No. 18-243, the San Antonio Water System’s (the “System”) Board of Trustees awarded a construction contract that was solicited through the competitive sealed proposal method provided under Chapter 2269 of the Government Code to Archer Western Construction, LLC (the “Contractor”) in an amount not to exceed $11,144,100.00 for the project work in connection with the Central Water Integration Pipeline (CWIP) – Maltsberger Pump Station Improvements Project (the “Project”).

- The Project includes replacement of the existing outdoor medium voltage switchgear and motor control centers, a new electrical building, flow control valve assemblies to accept the Vista Ridge water at the Maltsberger and Basin Pump Stations, and two pressure reducing valve assemblies in the water distribution system.

- On August 7, 2018, by Resolution No. 18-184, the System’s Board of Trustees awarded a construction contract to Horizon Bros. Painting Corp. for the CWIP - Maltsberger Ground Storage Tank Rehabilitation Project, which includes repainting of the interior and exterior steel surfaces of the 7.5 million gallon steel ground storage tank at the Maltsberger Pump Station along with replacement of tank ladders, hatches and vents; piping and electrical improvements; and other miscellaneous tank work.

- On June 30, 2019, Horizon Bros. Painting Corp. notified the System by letter that it was voluntarily and irrevocably defaulting on its contract.
Change Order No. 2 in an amount not to exceed $2,764,411.00 adds completion of the CWIP - Maltsberger Ground Storage Tank Rehabilitation work to the CWIP – Maltsberger Pump Station Improvements Project to expedite completion of this work by the contractor already mobilized on the Maltsberger Pump Station site.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The System Fund will finance this expenditure from the 2019 Production and Treatment budget (Company: 1000, Accounting Unit: 5027500, Account: 511220). The total amount requested for this change order is $2,764,411.00. The Job No. is 18-8613.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Authorized</th>
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</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 18-243)</td>
<td>$11,144,100.00</td>
</tr>
<tr>
<td>Change Order No. 1 (no cost impact)</td>
<td>0.00</td>
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<tr>
<td>Proposed Change Order No. 2</td>
<td>2,764,411.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$13,908,511.00</td>
</tr>
</tbody>
</table>

The revised construction contract amount for the System’s work as a result of all change orders is $13,908,511.00, which represents an increase of 24.8 percent from the original contract amount.

**SUPPLEMENTARY COMMENTS:**

Tetra Tech, Inc. prepared the plans and specifications for the scope of work included in this change order. The engineer’s estimated construction cost was $2,322,800.00. The negotiated amount for Change Order No. 2 is 19.0 percent more than the engineer’s estimate.

The work included in Change Order No. 2 will be completed by January 15, 2020 prior to commencement of the Performance Test associated with the Vista Ridge Regional Supply Project. This Change Order adds 15 days to Intermediate Milestone 1 for the Project.

The System and Merchants Bonding Company, the surety for Horizon Bros. Painting Corp., negotiated payment to the System in the amount of $1,687,400.00 to allow the System to complete the work with their own contractor. A total of $1,042,835.00 was remaining in the System Fund for the Project that had not been paid to Horizon Bros. Painting Corp.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Archer Western Change Order No. 2 Amount</td>
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<tr>
<td>Less: System Funds Remaining for Project Work</td>
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<tr>
<td>Additional Funds Required to Complete Project Work</td>
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<tr>
<td>Less: Payment by Surety (Bond Amount)</td>
<td>(1,687,400.00)</td>
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<tr>
<td>Additional System Funds to be Allocated</td>
<td>$ 34,175.65</td>
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</table>
Approval of Change Order No. 2
Central Water Integration Pipeline
Maltsberger Pump Station Improvements Project

Alissa R. Lockett, P.E.
Director
Vista Ridge Integration

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

CENTRAL WATER INTEGRATION PIPELINE
MALTSBERGER PUMP STATION IMPROVEMENTS
CHANGE ORDER NO. 2
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 2 IN AN AMOUNT NOT TO EXCEED $2,764,411.00 FOR THE ADDITIONAL PROJECT WORK IN CONNECTION WITH CENTRAL WATER INTEGRATION PIPELINE – MALTSBERGER PUMP STATION IMPROVEMENTS PROJECT; AMENDING RESOLUTION NO. 18-243 BY APPROVING AN ADDITIONAL AMOUNT NO TO EXCEED $2,764,411.00 FROM THE SYSTEM 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 ARCHER WESTERN CONSTRUCTION, LLC AN AMOUNT NOT TO EXCEED $2,764,411.00 FOR THE 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 October , 2018, the San Antonio Water System’s (the “System”) Board of Trustees, by Resolution 18-243, authorized a construction contract with Archer Western Construction, LLC (the “Contractor”) in an amount not to exceed $11,144,100.00 for the project work in connection with the Central Water Integration Pipeline (CWIP) – Maltsberger Pump Station Improvements Project; and

WHEREAS, Change Order No. 2 adds completion of the CWIP – Maltsberger Ground Storage Tank Rehabilitation work to the CWIP – Maltsberger Pump Station Improvements Project and includes repainting of the interior and exterior steel surfaces of the 7.5 million gallon steel ground storage tank at the Maltsberger Pump Station along with replacement of tank ladders, hatches and vents; piping and electrical improvements; and other miscellaneous tank work; and

WHEREAS, negotiations between the System and the Contractor resulted in a cost of $2,764,411.00 for Change Order No. 2 for the additional project work; and

WHEREAS, additional System funds in an amount not to exceed $2,764,411.00 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 $2,764,411.00 payable to Archer Western Construction, LLC in connection with the Central Water Integration Pipeline – Maltsberger Pump Station Improvements Project, (ii) to amend Resolution No. 18-243 by approving the expenditure of funds in an amount not to exceed $2,764,411.00 from the System 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 $2,764,411.00 to Archer Western Construction, LLC 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 $2,764,411.00 to the construction contract with Archer Western Construction, LLC in connection with the Central Water Integration Pipeline – Maltsberger Pump Station Improvements Project is hereby approved.

2. That Resolution No. 18-243 is hereby amended by approving an additional amount not to exceed $2,764,411.00 from the System 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 Archer Western Construction, LLC an additional amount not to exceed $2,764,411.00 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 6th day of August, 2019.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Patricia E. Merritt, Assistant Secretary
AGENDA ITEM NO. 25

TO: San Antonio Water System Board of Trustees

FROM: Jeff Haby, P.E., Vice President Production and Treatment and Mike Frisbie, P.E., Senior Vice President/Chief Operating Officer

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

SUBJECT: AUTHORIZATION TO EXECUTE A MEMORANDUM OF AGREEMENT WITH THE UNITED STATES AIR FORCE CONCERNING COORDINATION EFFORTS DURING CONSTRUCTION OF THE W6: UPPER SEGMENT SEWER MAIN REPLACEMENT PROJECT AND FOR THE TRANSFER OF SEWER INFRASTRUCTURE LOCATED ON JOINT BASE SAN ANTONIO-LACKLAND TO THE UNITED STATES AIR FORCE

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the execution of a Memorandum of Agreement with the United States of America, acting by and through the Secretary of the Air Force concerning coordination efforts during construction of the W6: Upper Segment Sewer Main Replacement Project and for the transfer of sewer infrastructure located on Joint Base San Antonio-Lackland to the United States Air Force.

- The San Antonio Water System (the “System”) currently owns a 54-inch diameter sewer main that traverses Joint Base San Antonio-Lackland (the “JBSA-L”). In 2000, upon closure of the former Kelly Air Force Base, the United States Air Force (the “USAF”) transferred ownership of the sewage collection system located on the former Air Force Base, including collection infrastructure now located on JBSA-L, to the System.

- The 54-inch diameter sewer main is in poor condition and is inadequate in size to carry existing sewage flows. The System began negotiations in 2008 with the USAF to replace the main. The System and USAF were not able to agree upon an alignment that would traverse JBSA-L due in large part to the USAF requirement that the System assume certain risks related to environmental matters at JBSA-L. In light of that impasse, and in order to facilitate the most expeditious completion of the Project, the System determined to construct the replacement sewer main generally outside the boundaries of JBSA-L and under West Military Drive as part of the Project, at an expense of approximately $190,000,000. In October and November, 2018, USAF and System representatives met to discuss coordination of efforts between the System and USAF that would be required to facilitate the construction of the Project, and to agree upon the terms of the transfer by the System to USAF of the sewage collection infrastructure located on JBSA-L and the 54-inch diameter main that the System will abandon on completion of the Project.
Following a series of negotiations between the System and the USAF, the System and USAF agreed, subject to approval by the System Board of Trustees, to the terms of a transfer by the System to the USAF of the sewage collection infrastructure and the 54-inch diameter sewer main that the System will abandon that are located on JBSA-L and to the coordination efforts necessary to construct the Project under West Military Drive in accordance with the terms of the Memorandum of Agreement that is Attachment 1 to the attached Resolution.

Pursuant to the terms of the Memorandum of Agreement, the USAF will extend the term of the easement for the 54-inch diameter sewer main that currently traverses JBSA-L that would otherwise expire, to July 23, 2025; will agree to grant to the System any easements necessary to the construction and operation of the sewer main to be constructed as part of the Project, if necessary; will agree to expedite any compliance obligations required by the National Environmental Policy Act and will accept the transfer of the sewage collection infrastructure and 54-inch main that SAWS will abandon that are located on JBSA-L after completion of the Project.

The System will continue to own and operate the 54-inch diameter sewer main until transfer to USAF and will maintain that sewer main in a condition such that USAF can implement a rehabilitation technology (such as slip-lining or cured in place piping) to convert the main for USAF internal collection purposes. SAWS will be responsible for any repairs necessary to deliver the 54-inch diameter sewer main to the USAF in a condition such that USAF can implement a rehabilitation technology (such as slip-lining or cured in place piping) to convert the main for USAF internal collection purposes, and the cost to connect said 54-inch diameter main to the Project infrastructure.

Staff recommends the Board approve this resolution.

**FINANCIAL IMPACT:**

This resolution approves the Memorandum of Agreement with the USAF and there is no financial impact resulting from the approval of this item.
Authorization to Execute Memorandum of Agreement  
W-6: Upper Segment Sewer Main Replacement Project

Jeffrey J. Fabry, P.E.  
Vice President, Production & Treatment

Mike Frisbie, P.E.  
Senior Vice President/Chief Operating Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE SECRETARY OF THE AIR FORCE, CONCERNING COORDINATION EFFORTS DURING CONSTRUCTION OF THE W6: UPPER SEGMENT SEWER MAIN REPLACEMENT PROJECT; PROVIDING FOR THE TRANSFER BY THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) TO THE UNITED STATES AIR FORCE OF A SEWER MAIN THAT WILL BE ABANDONED BY THE SYSTEM AND SEWAGE COLLECTION INFRASTRUCTURE LOCATED ON JOINT BASE SAN ANTONIO-LACKLAND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE A MEMORANDUM OF AGREEMENT WITH THE UNITED STATES OF AMERICA; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System currently owns a 54-inch diameter sewer main that traverses Joint Base San Antonio-Lackland and in 2000, upon closure of the former Kelly Air Force Base, the United States Air Force transferred ownership of the sewage collection system located on the former Air Force Base, including collection infrastructure now located on Joint Base San Antonio-Lackland, to the System; and

WHEREAS, the 54-inch diameter sewer main must be replaced with a main of larger diameter and capacity; and

WHEREAS, the System began negotiations in 2008 with the United States Air Force to replace the 54-inch diameter sewer main on Joint Base San Antonio-Lackland property, but the System and the United States Air Force were not able to agree upon an alignment that would traverse Joint Base San Antonio-Lackland; and

WHEREAS, the System and the United States Air Force have agreed to the coordination efforts between the System and the United States Air Force that will be required to facilitate the construction of a replacement sewer main in a different alignment under West Military Drive, and have agreed upon the terms of the transfer by the System to the United States Air Force of the sewage collection infrastructure and the 54-inch diameter main that the System will abandon on completion of the replacement sewer main that are located on Joint Base San Antonio-Lackland; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve a Memorandum of Agreement with the United States of America, acting by and through the Secretary of the Air Force, (ii) to authorize the President/Chief Executive Officer to execute a Memorandum of Agreement between the System and the United States of America, acting by and through the Secretary of the Air Force, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to carry out all duties and obligations in the Memorandum of Agreement, execute any and all documents, and take all actions reasonable or necessary to complete the transfer by the System to the United States Air Force of the sewage collection infrastructure and the 54-inch diameter main that the System will abandon on completion of the replacement sewer main that are located on Joint Base San Antonio-Lackland; now, therefore:

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

1. That a Memorandum of Agreement between the System and the United States of America, acting by and through the Secretary of the Air Force, in a form substantially similar to that attached to this resolution as Attachment 1, is hereby approved.

2. That the President/Chief Executive Officer is hereby authorized to execute a Memorandum of Agreement between the System and the United States Air Force, acting by and through the Secretary of the Air Force, in a form substantially similar to that attached to this resolution as Attachment 1.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to carry out all duties and obligations in the Memorandum of Agreement, execute any and all documents, and take all actions reasonable or necessary to complete the transfer by the System to the United States Air Force of the sewage collection infrastructure and the 54-inch diameter main that the System will abandon on completion of the replacement sewer main that are located on Joint Base San Antonio-Lackland.

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

5. If any section, paragraph, sentence, phrase 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 6th day of August, 2019.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Assistant Secretary

Attachment 1: Memorandum of Agreement between the System and the United States Air Force, acting by and through the Secretary of the Air Force
ATTACHMENT 1
MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("MOA") is entered into as of __________, 2019 (the "Effective Date"), between the San Antonio Water System ("SAWS") and the United States of America, acting by and through the Secretary of the Air Force ("USAF"). SAWS and the USAF may be referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, the Parties met and conferred on October 5, 2018 and November 2, 2018, concerning the location of a portion of a new sanitary sewer pipeline ("New Sewer Pipeline") that will replace a 54" existing sanitary sewer pipeline known as the Leon Creek, Highway 90 to New Laredo Highway, Northern Portion (the "Existing Sewer Main") which traverses Joint Base San Antonio-Lackland ("JBSA-Lackland") and is located within an easement recorded at Book 17150, Pg. 1389, et seq., Real Property Records of Bexar County, Texas (the "Existing Easement"); and

WHEREAS, the Parties desire to memorialize the agreements and understandings reached between them during the October 5, 2018 and November 2, 2018 meetings.

NOW THEREFORE, the Parties agree as follows:

1. The USAF will deliver to Congress a copy of this executed MOA and the report regarding core sampling required by H.R. 5515 - John S. McCain National Defense Authorization Act for Fiscal Year 2019, Section 319 that is attached to this MOA as Exhibit "A".

2. The USAF will extend the "Term Expiration Date" of the Existing Easement from 22 June 2019 to 23 July 2025 by executing the First Amendment to Department of the Air Force Grant of Easement attached to this MOA as Exhibit "B" contemporaneously with the execution of this MOA.

3. SAWS will construct or cause to be constructed, the New Sewer Pipeline in the location as generally shown on Exhibit "C" to this MOA.

4. To the best of each Party's knowledge, the alignment of the New Sewer Pipeline shown on Exhibit "C" to this MOA, will not require the granting of any easements by the USAF. The USAF will grant to SAWS construction and permanent easements that are reasonably necessary for the alignment of the New Sewer Pipeline depicted on Exhibit "C". Any such easement will be substantially similar in form to Exhibit "D" to this MOA.

5. If the National Environmental Policy Act ("NEPA") is applicable to the grant by the USAF of any construction or permanent easement requested by SAWS, then the USAF will diligently pursue completion of all actions required by NEPA. SAWS shall reimburse the USAF for all reasonable administrative costs associated with such actions, which may include, but are not limited to, costs of surveys, environmental studies, appraisals and document preparation.

6. The USAF will provide confirmation to the Texas Department of Transportation that this MOA continues in full force and effect, if requested to do so by SAWS. The Texas
Department of Transportation has requested that USAF confirm that it has no objections to SAWS construction of the tunnel in which SAWS will install a sanitary sewer main in Texas Department of Transportation right of way during construction of the New Sewer Pipeline (a) under Truemper Road bridge at a depth of approximately 105 feet below ground surface at the location generally shown in Exhibit “E-1” to this MOA; (b) under three (3) pedestrian bridges at an approximate depth of 100 feet below ground surface near Berquist Drive, Luke Boulevard and Selfridge Avenue at the locations generally shown on “Exhibit E-2” to this MOA; and (c) near, but not under, the monument that has been constructed at the southeast corner of U.S. Highway 90 and S.W. Military Drive at a depth of approximately 98 feet below ground surface at the location generally shown in “Exhibit E-2” to this MOA. The improvements that are described in Exhibits E-1 and E-2 are collectively referred to as the “Surface Structures”. After the final alignment of the New Sewer Pipeline is determined and before the start of construction, SAWS will provide the USAF with an engineering analysis signed and sealed by a professional engineer that confirms that SAWS’ construction of the New Sewer Pipeline will have no impact on the Surface Structures (the “Analysis”).

7. If the Analysis states that construction of the New Sewer Pipeline may impact any of the Surface Structures, then in that event SAWS will provide the USAF with plans that are signed and sealed by a professional engineer that describe the actions that SAWS will implement to prevent impact to the Surface Structures (the “Impact Mitigation Plan”).

8. Following receipt of the Analysis, or if required the Impact Mitigation Plan, USAF will confirm to the Texas Department of Transportation that USAF does not have any objection to SAWS construction of the tunnel and sewer main under the Truemper Road bridge, the three (3) pedestrian bridges, or near the monument that are described in Exhibits E-1 and E-2 to this MOA, if requested to do so by the Texas Department of Transportation.

9. SAWS will work with USAF to create, within eighteen (18) months of the Effective Date, a schedule of all sanitary sewer pipes, lift stations, appurtenances and other components of the sanitary sewer system owned by SAWS and located on the portion of JBSA-Lackland depicted on Exhibits “F-1” and “F-2” to this MOA (“SAWS Sewer Infrastructure”) which discloses the location, condition and any other information reasonably requested by USAF about the SAWS Sewer Infrastructure, all to the extent in SAWS’ possession (“SAWS Sewer Infrastructure Schedule”). The SAWS Sewer Infrastructure Schedule will be attached to this MOA as Exhibit “G.” Thereafter, SAWS will update the SAWS Sewer Infrastructure Schedule annually with information that is in SAWS’ possession, it being expressly agreed that (a) SAWS shall have no obligation to perform any additional inspections or investigations to update the SAWS Sewer Infrastructure Schedule, and (b) while SAWS will use its best efforts to review and identify all pertinent records in its possession, the review may not disclose every pertinent record in SAWS’ possession. SAWS also will update the SAWS Sewer Infrastructure Schedule within three (3) months of the New Sewer Pipeline Completion Date if more
than three (3) months have elapsed since the last annual update of the SAWS Sewer Infrastructure Schedule.

10. SAWS will provide a copy to the USAF of the notice to proceed for construction of the New Sewer Pipeline within ten (10) days after SAWS issues the notice to its contractor. Thereafter, SAWS and USAF will meet and confer at least once every three (3) months at a mutually agreed time and location to review the construction status of the New Sewer Pipeline until it is complete ("New Sewer Pipeline Completion Date").

11. If any New Sewer Pipeline construction activities may disrupt the flow of traffic on Military Drive to or from JBSA-Lackland and possibly require closure of a JBSA-Lackland gate or reduce traffic flow in either direction to one lane, then SAWS will provide advance written notice (at least forty-five (45) days) to: (a) the 502d Security Forces Group, Attn.: Mr. Alberto Jorge-Sanchez, alberto.jorge-sanchez@us.af.mil, (210) 652-8676; and (b) Mr. Christian De La Rosa, christian.delarosa@us.af.mil, (210) 671-2977, to allow the USAF and SAWS to plan for the potential disruption before those activities commence.

12. Within one (1) year of the projected New Sewer Pipeline Completion Date, the USAF will contract with an independent professional engineer or professional engineering firm with experience and expertise concerning methods of pipeline rehabilitation ("Engineer") to inspect the Existing Sewer Main and provide to the USAF a written evaluation of the condition of the Existing Sewer Main ("Evaluation") which states whether the Existing Sewer Main is in a condition such that it will be possible to use a rehabilitation technology (such as, but not limited to slip lining, pipe bursting, cured in place, or any other suitable rehabilitation technology) to convert the Existing Sewer Main into a sewer lateral to transport by gravity flow the then existing flows generated solely within JBSA-Lackland facilities to an interconnection point generally shown on Exhibit "C" to this MOA with the New Sewer Pipeline ("Sewer Main Conversion"). USAF will provide a copy of the Evaluation to SAWS within ten (10) days after USAF receives the original Evaluation from the Engineer.

13. Should the Engineer conclude that the condition of the Existing Sewer Main will not allow use by the USAF of a Rehabilitation Technology to perform the Sewer Main Conversion, then the Engineer also shall disclose in the Evaluation the repairs or other actions required to restore the Existing Sewer Main to a condition that will allow the use of a rehabilitation technology to perform the Sewer Main Conversion ("Conversion Repairs"). SAWS will complete the Conversion Repairs and provide written notice to the USAF that is in the form of Exhibit "H" to this MOA stating that they are complete ("Completion Notice"), unless SAWS disputes any conclusions of the Engineer in the Evaluation. Should SAWS dispute any conclusions of the Engineer in the Evaluation, SAWS may implement the dispute resolution procedures that are described in paragraph 18 of this MOA. SAWS is not required to perform any Conversion Repairs that are the subject of dispute resolution during the pendency of any dispute resolution process.
Department of Transportation has requested that USAF confirm that it has no objections to SAWS construction of the tunnel in which SAWS will install a sanitary sewer main in Texas Department of Transportation right of way during construction of the New Sewer Pipeline (a) under Truemper Road bridge at a depth of approximately 105 feet below ground surface at the location generally shown in Exhibit “E-1” to this MOA; (b) under three (3) pedestrian bridges at an approximate depth of 100 feet below ground surface near Berquist Drive, Luke Boulevard and Selfridge Avenue at the locations generally shown on “Exhibit E-2” to this MOA; and (c) near, but not under, the monument that has been constructed at the southeast corner of U.S. Highway 90 and S.W. Military Drive at a depth of approximately 98 feet below ground surface at the location generally shown in “Exhibit E-2” to this MOA. The improvements that are described in Exhibits E-1 and E-2 are collectively referred to as the “Surface Structures”. After the final alignment of the New Sewer Pipeline is determined and before the start of construction, SAWS will provide the USAF with an engineering analysis signed and sealed by a professional engineer that confirms that SAWS’ construction of the New Sewer Pipeline will have no impact on the Surface Structures (the “Analysis”).

7. If the Analysis states that construction of the New Sewer Pipeline may impact any of the Surface Structures, then in that event SAWS will provide the USAF with plans that are signed and sealed by a professional engineer that describe the actions that SAWS will implement to prevent impact to the Surface Structures (the Impact Mitigation Plan”).

8. Following receipt of the Analysis, and if required, the Impact Mitigation Plan, USAF will confirm to the Texas Department of Transportation that USAF does not have any objection to SAWS construction of the tunnel and sewer main under the Truemper Road bridge, the three (3) pedestrian bridges, or near the monument that are described in Exhibits E-1 and E-2 to this MOA, if requested to do so by the Texas Department of Transportation.

9. SAWS will work with USAF to create, within eighteen (18) months of the Effective Date, a schedule of all sanitary sewer pipes, lift stations, appurtenances and other components of the sanitary sewer system owned by SAWS and located on the portion of JBSA-Lackland depicted on Exhibits “F-1” and “F-2” to this MOA (“SAWS Sewer Infrastructure”) which discloses the location, condition and any other information reasonably requested by USAF about the SAWS Sewer Infrastructure, all to the extent in SAWS’ possession (“SAWS Sewer Infrastructure Schedule”). The SAWS Sewer Infrastructure Schedule will be attached to this MOA as Exhibit “G.” Thereafter, SAWS will update the SAWS Sewer Infrastructure Schedule annually with information that is in SAWS’ possession, it being expressly agreed that (a) SAWS shall have no obligation to perform any additional inspections or investigations to update the SAWS Sewer Infrastructure Schedule, and (b) while SAWS will use its best efforts to review and identify all pertinent records in its possession, the review may not disclose every pertinent record in SAWS’ possession. SAWS also will update the SAWS Sewer Infrastructure Schedule within three (3) months of the New Sewer Pipeline Completion Date if more
than three (3) months have elapsed since the last annual update of the SAWS Sewer Infrastructure Schedule.

10. SAWS will provide a copy to the USAF of the notice to proceed for construction of the New Sewer Pipeline within ten (10) days after SAWS issues the notice to its contractor. Thereafter, SAWS and USAF will meet and confer at least once every three (3) months at a mutually agreed time and location to review the construction status of the New Sewer Pipeline until it is complete ("New Sewer Pipeline Completion Date").

11. If any New Sewer Pipeline construction activities may disrupt the flow of traffic on Military Drive to or from JBSA-Lackland and possibly require closure of a JBSA-Lackland gate or reduce traffic flow in either direction to one lane, then SAWS will provide advance written notice (at least forty-five (45) days) to: (a) the 502d Security Forces Group, Attn.: Mr. Alberto Jorge-Sanchez, alberto.jorge-sanchez@us.af.mil, (210) 652-8676; and (b) Mr. Christian De La Rosa, christian.delarosa@us.af.mil, (210) 671-2977, to allow the USAF and SAWS to plan for the potential disruption before those activities commence.

12. Within one (1) year of the projected New Sewer Pipeline Completion Date, the USAF will contract with an independent professional engineer or professional engineering firm with experience and expertise concerning methods of pipeline rehabilitation ("Engineer") to inspect the Existing Sewer Main and provide to the USAF a written evaluation of the condition of the Existing Sewer Main ("Evaluation") which states whether the Existing Sewer Main is in a condition such that it will be possible to use a rehabilitation technology (such as, but not limited to slip lining, pipe bursting, cured in place, or any other suitable rehabilitation technology) to convert the Existing Sewer Main into a sewer lateral to transport by gravity flow the then existing flows generated solely within JBSA-Lackland facilities to an interconnection point generally shown on Exhibit "C" to this MOA with the New Sewer Pipeline ("Sewer Main Conversion"). USAF will provide a copy of the Evaluation to SAWS within ten (10) days after USAF receives the original Evaluation from the Engineer.

13. Should the Engineer conclude that the condition of the Existing Sewer Main will not allow use by the USAF of a Rehabilitation Technology to perform the Sewer Main Conversion, then the Engineer also shall disclose in the Evaluation the repairs or other actions required to restore the Existing Sewer Main to a condition that will allow the use of a rehabilitation technology to perform the Sewer Main Conversion ("Conversion Repairs"). SAWS will complete the Conversion Repairs and provide written notice to the USAF that is in the form of Exhibit "H" to this MOA stating that they are complete ("Completion Notice"), unless SAWS disputes any conclusions of the Engineer in the Evaluation. Should SAWS dispute any conclusions of the Engineer in the Evaluation, SAWS may implement the dispute resolution procedures that are described in paragraph 18 of this MOA. SAWS is not required to perform any Conversion Repairs that are the subject of dispute resolution during the pendency of any dispute resolution process.
14. SAWS will transfer to USAF, and the USAF will accept, all right, title and interest of SAWS in the SAWS Sewer Infrastructure using a bill of sale similar in form to Exhibit “I” to this MOA on a date mutually agreed to by SAWS and the USAF that is within ninety (90) days of the date on which the USAF receives: (a) the Evaluation from the Engineer, provided it states that the condition of the Existing Sewer Main will allow the use of a form of rehabilitation technology to perform the Sewer Main Conversion without the need to make any Conversion Repairs; or (b) the Completion Notice, if Conversion Repairs are required. ("SAWS Sewer Infrastructure Transfer Date").

15. From the Effective Date through midnight of the date preceding the SAWS Sewer Infrastructure Transfer Date, SAWS will have sole responsibility for the operation, maintenance and repair of the SAWS Sewer Infrastructure. SAWS will operate, maintain and repair the SAWS Sewer Infrastructure in accordance with its normal and customary processes and procedures. On and after the SAWS Sewer Infrastructure Transfer Date the USAF will have sole responsibility for the ownership, operation, maintenance and repair of the SAWS Sewer Infrastructure and for all costs or expenses related to the ownership, operation, maintenance and repair of the SAWS Sewer Infrastructure. The USAF will have sole responsibility for any construction or other activities required to perform the Sewer Main Conversion and for all costs or expenses incurred, or that may be incurred in connection with the Sewer Main Conversion.

16. After the SAWS Sewer Infrastructure Transfer Date, the USAF will work expeditiously to award the contract for the Sewer Main Conversion. The USAF will provide a copy to SAWS of the notice to proceed for the Sewer Main Conversion within ten (10) days after the USAF issues the notice to its contractor. Thereafter, SAWS and USAF will meet and confer at least once each month at a mutually agreed time and location to review the status of the Sewer Main Conversion and coordinate any interconnections by SAWS to the New Sewer Pipeline.

17. SAWS will have sole responsibility for any construction or other activities required to connect the Existing Sewer Main to the New Sewer Pipeline after the Sewer Main Conversion is completed by the USAF.

18. If a dispute should arise under this MOA, the Parties shall first attempt to resolve the dispute without involvement of other persons ("Unassisted Negotiations"). Either Party may request in writing that Unassisted Negotiations commence. As part of the Unassisted Negotiations, the Parties shall consider employing joint fact finding if material factual disputes are involved and shall use other early resolution techniques appropriate to the circumstances. If the dispute involves material issues of fact, the Parties may employ a neutral third party to provide a confidential evaluation of the issues of fact.

If the dispute is not resolved within sixty (60) days of the request for Unassisted Negotiations and the Parties do not mutually agree to continue Unassisted Negotiations, the Parties shall employ alternate dispute resolution ("ADR") procedures involving nonbinding mediation of the dispute by a neutral third party. The ADR procedures to be employed in resolution of the dispute shall be documented in an ADR agreement executed by the Parties and shall include a confidential evaluation of both the facts and the law and the issuance of confidential recommendations by a neutral third party. A template of an ADR agreement acceptable to the USAF which may be amended to address the specific facts and circumstances of the dispute is found at www.adr.af.mil. If either Party concludes that an
ADR procedure is inappropriate for resolution of the dispute after taking into consideration the factors enumerated at 5 U.S.C. § 572(b), such procedure shall not be used to resolve the dispute. A Party rejecting an ADR procedure as inappropriate shall provide a written statement to the other Party of its reasons for rejection of such procedure.

If the Parties are unable to resolve the dispute following Unassisted Negotiations and use of ADR procedures, then either Party may proceed to protect and enforce its rights under this MOA by taking whatever actions at law or in equity are available to it under applicable law.

19. The exhibits attached to this MOA are incorporated herein by this reference. Any additional agreements between the Parties, other than those stated in this MOA, will be memorialized in separate agreements.
SAN ANTONIO WATER SYSTEM

By: __________________________
    Robert R. Puente, President/CEO
THE UNITED STATES OF AMERICA, acting by and through the Secretary of the Air Force

By: __________________________

ROBERT E. MORIARTY, P.E.
Director, Installations Directorate
Air Force Civil Engineer Center
Exhibit A

Core Sampling Report


Section 319 of H.R. 5515 - John S. McCain National Defense Authorization Act for Fiscal Year 2019 ("NDAA FY 2019") requires the Air Force to "conduct a core sampling study along the proposed route of the [San Antonio Water System] W-6 wastewater treatment line on Air Force real property ... to determine if any regulated or hazardous substances are present in the soil along the proposed route...[and] submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the core samples taken...." Shortly after the enactment of NDAA FY 2019, the proposed route of the W-6 wastewater treatment line was changed and the new route does not traverse Air Force real property. The route change obviated the need for a core sampling study on Air Force property. Accordingly, a core sampling study was not performed.
Exhibit B

First Amendment to Department of the Air Force Grant of Easement
FIRST AMENDMENT
TO
GRANT OF EASEMENT

THIS FIRST AMENDMENT TO GRANT OF EASEMENT ("First Amendment") is made and entered into as of August ____, 2019 ("Effective Date"), by and between the United States of America, acting by and through the Secretary of the Air Force (the "Grantor") and the City of San Antonio, acting by and through its San Antonio Water System (the "Grantee"). The Grantor and Grantee sometimes are collectively referred to herein as the "Parties".

A. The Grantor and Grantee executed a Department of the Air Force Grant of Easement for San Antonio Water System ("SAWS") on Joint Base San Antonio-Kelly Field Annex, Texas commencing 23 June 2014, and ending 22 June 2019 ("Easement Term") to allow SAWS to operate, maintain and repair an existing 54-inch sanitary sewer line known as the Leon Creek, Highway 90 to New Laredo Highway, Northern Portion ("Existing Sewer Main") which traverses Joint Base San Antonio - Lackland ("Easement");

B. The Easement is recorded in Book 17150, Page 1389, et seq., of the Real Property Records of Bexar County, Texas.

C. Work on a new 90-inch sanitary sewer main ("New Sewer Main") that will replace the Existing Sewer Main and be located primarily outside the boundaries of Joint Base San Antonio - Lackland is underway, but will not be completed before the Term Expiration Date; and

C. Grantee has requested and Grantor has agreed to extend the Term Expiration Date to allow SAWS to operate, maintain and repair Existing Sewer Main until construction of the New Sewer Main is complete.

NOW, THEREFORE, in consideration of the mutual promises, covenants and undertakings set forth in this First Amendment, Grantor and Grantee agree as follows:

1. The Easement Term will end on the earlier of: (a) 23 July 2025, or (b) the SAWS Sewer Infrastructure Transfer Date, as that term is defined in Paragraph 13 of the Memorandum of Agreement executed by the Parties as of the Effective Date ("MOA").

2. The "Permitted Uses" described in Paragraph 4.1 of the Easement shall include all actions required to be taken by Grantee pursuant to the MOA and involving the Existing Sewer Main.

3. Capitalized terms used, but not defined in this First Amendment shall have the meanings ascribed to them in the Easement.

Exhibit B

DRAFT
4. Except as amended by this First Amendment, the Easement continues in full force and effect.

5. This First Amendment may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the Effective Date.

GRANTOR:

UNITED STATES OF AMERICA,
acting by and through the Secretary of the Air Force

By:

ROBERT E. MORIARTY, P.E.,
Director, Installations Directorate
Air Force Civil Engineer Center

ACKNOWLEDGEMENT

STATE OF TEXAS  § § §
COUNTY OF BEXAR  § §

This instrument was acknowledged before me, the undersigned, on this ____ day of _________ 2019, by ROBERT E. MORIARTY, personally known to me to be the Director, Installations Directorate of the Air Force Civil Engineer Center.

Notary Public, State of Texas

________________________
Printed Name: __________________________
Commission Expiration Date: ________________
Grantee’s Signature Page to the foregoing First Amendment to Grant of Easement

GRANTEE:

SAN ANTONIO WATER SYSTEM

By: ____________________ __

Robert R. Puente, President/CEO

ACKNOWLEDGEMENT

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me, the undersigned, on this ___ day of __________ 2019, by ROBERT R. PUENTE, personally known to me to be the President/CEO of San Antonio Water System.

Notary Public, State of Texas

Printed Name: ____________________

Commission Expiration Date: __________
Exhibit D

Form of Easement
DEPARTMENT OF THE AIR FORCE

GRANT OF EASEMENT

FOR

SAN ANTONIO WATER SYSTEM (SAWS)

ON

JOINT BASE SAN ANTONIO-LACKLAND, TEXAS

Exhibit D – Form of Easement
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Exhibit D – Form of Easement
DEPARTMENT OF THE AIR FORCE

GRANT OF EASEMENT

PREAMBLE

THE UNITED STATES OF AMERICA, acting by and through the Secretary of the Air Force (the "Grantor"), under and pursuant to the authority granted in 10 U.S.C. § 2668, the Secretary of the Air Force having determined that no more land than needed for this Easement is included herein, and the granting of this Easement is not against the public interest, does hereby grant and convey to City of San Antonio for the use, benefit, and control of its San Antonio Water System (SAWS), a municipally-owned utility located in San Antonio, Bexar County, duly incorporated in the State of Texas ("State") and authorized to do business in this State ("Grantee"), a nonexclusive Easement to construct, install, operate, maintain, and repair a 90-inch sanitary sewer line in a ___-foot wide easement of approximately ___ acres on, over, under, and across the property on Joint Base San Antonio-Lackland, Texas ("Installation"), as described in Exhibit A and depicted on Exhibit B (the "Easement Area"). The Grantor and Grantee may be referred to in this Easement jointly as Parties or separately as a Party.

BASIC TERMS

1. TERM

1.1. Term. This Grant shall be for a term of ___ years commencing ______________ ("Term Beginning Date") and ______________ ("Term Expiration Date") unless sooner terminated (the "Easement Term").

1.2. Termination. The Government may terminate this Easement at any time in the event of national emergency as declared by the President or the Congress of the United States, base closure, deactivation or substantial realignment, or in the interest of national defense upon 120 days' written notice to Grantee. If the giving of such notice is impracticable under the circumstances, the Secretary will use good faith efforts to give Grantee such advance written notice as the circumstances permit.

2. RENT

The sum of zero dollars ($0.00) per annum.

3. CORRESPONDENCE

Any written notices under this instrument shall be made by mailing or hand delivering such notice to the Parties at the following addresses.

GRANTOR:
502 CES/CEAP
1555 Gott Street
JBSA-Lackland, TX 78236-5646

GRANTEE:
San Antonio Water System (SAWS)
2800 U.S. Highway 281 North
P.O. Box 2449
San Antonio, TX 78298-2449

Exhibit D – Form of Easement
4. USE OF EASEMENT AREA

4.1. Permitted Uses. The Grantee shall use the Easement Area solely for purposes of constructing, installing, operating, maintaining, and repairing a 90-inch sanitary sewer line in a 50-foot wide easement of approximately _______ acres. Grantee’s use of the Easement Area shall comply, at Grantee’s sole cost and expense, with all “Applicable Laws,” as defined in Paragraph 25.1.1. The Grantee shall not use or occupy the Easement Area in any manner that is unlawful, dangerous, or that results in waste, unreasonable annoyance, or a nuisance to the Government.

4.2. Grantee Access. Grantee is granted the nonexclusive right to use the walkways, streets, and roads on Joint Base San Antonio-Lackland, Texas in common with the Grantor and its grantees and licensees for access to and from the Easement Area and the nearest public street or highway.

4.3. Grantor’s Right of Access And Inspection. Grantor shall have the right to enter the Easement Area at any time and shall have the right to reasonably inspect Grantee’s use of it and any of Grantee’s improvements or property placed thereon, without notice.

4.4. Grantor’s Reasonable Regulation. The use and occupation of the Easement Area and the exercise of the rights herein granted shall be subject to Grantor’s reasonable restrictions and regulations regarding ingress, egress, safety, sanitation, and security, as Grantor or its duly authorized representatives, may from time to time impose.

4.5. No Obstructions. Neither Party shall use the Easement Area nor construct, erect, or place any objects, buildings, structures, signs, or wells of a permanent nature on, under, or over the Easement Area that will unreasonably interfere with the other Party’s use of the Easement Area, as set out in Paragraph 4 of this Easement.

4.6. Limitation Of Grantee Rights. Except as is reasonably required to effect the purpose of this Easement, the Grantee has no right of use, license, servitude, or usufruct, for any purpose, by necessity or otherwise, express or implied, on, over, across, or under any of the real property of the Grantor, and the Grantee agrees not to assert any such right or interest by reason of this Easement. If “Extensive Damage or Destruction of Easement Area” as defined in Paragraph 10.5.1 occurs, then either Party may terminate this Easement by giving the other written notice which shall be effective 120 days after the date of such notice, unless otherwise agreed in writing by the Parties.

5. ABANDONMENT OR TERMINATION OF EASEMENT

5.1. Termination. This Easement may be terminated in whole or in part by the Grantor for Grantee’s failure to comply with the terms of this Easement, and Grantor may terminate it for any part of the Easement Area that is abandoned or not used by the Grantee for 24 consecutive months. The Grantor shall give written notice of any termination to the Grantee, which shall be effective 120 days after the date of such notice, unless otherwise agreed in writing by the Parties.

If “Extensive Damage or Destruction of Easement Area,” as defined in Paragraph 10.5.1, occurs, then either Party may terminate this Easement by giving the other written notice which shall be effective 120 days after the date of such notice, unless otherwise agreed in writing by the Parties.

5.2. Remedies For Non-Compliance. In the event the Grantee fails to comply with any obligation under this Easement, the Grantor may pursue monetary damages, equitable relief, or both, and, if Grantor is the prevailing party in court, the Grantee shall reimburse the Grantor for its attorney fees and costs. The foregoing shall not be construed as a waiver of Grantee’s defenses of sovereign immunity.

Exhibit D – Form of Easement
OPERATION OF THE EASEMENT AREA

6. EASEMENTS AND RIGHTS OF WAY

This Easement is subject to all outstanding easements, rights-of-way, rights in the nature of an easement, leases, permits, licenses, and uses (collectively, "Outgrants") for any purpose affecting the Easement Area. The Air Force may make additional Outgrants that may affect the Easement Area; however, any such additional Outgrants shall not be inconsistent with the use of the Easement Area by the Grantee under this Easement.

7. CONDITION OF EASEMENT AREA

The Grantee has inspected and knows the condition of the Easement Area. It is understood that the Easement is granted "as is, where is" without any warranty, representation, or obligation on the part of the Grantor to make any alterations, repairs, improvements, or corrections to conditions or to defects whether patent or latent. The Parties shall jointly perform and sign or otherwise authenticate a Physical Condition Report at the beginning of the Easement Term to document the condition of the Easement Area. This report will be attached to and made a part of this Easement as Exhibit C.

8. MAINTENANCE OF EASEMENT AREA

8.1. Maintenance of Easement Area. The Grantee, at no expense to the Grantor, shall at all times preserve, maintain, repair, and manage the Grantee improvements, equipment and infrastructure within the Easement Area in an acceptable, safe, and sanitary condition in accordance with this Easement.

8.2. Damage to Grantor Property. If the Grantee damages or destroys any real or personal property of the Grantor, the Grantee shall promptly repair or replace such real or personal property to the reasonable satisfaction of the Grantor. In lieu of such repair or replacement, the Grantee shall, if so required by the Grantor, pay to the Grantor money in an amount sufficient to compensate for the loss sustained by the Grantor by reason of damage or destruction of Grantor property, including natural resources.

9. TAXES

The Grantee shall pay to the proper authority, when and as the same become due and payable, all taxes, assessments, and similar charges which, at any time during the Easement Term may be imposed on the Grantee's uses of the Easement Area, consistent with Paragraph 4.1.

10. INSURANCE

10.1. Risk of Loss. The Grantee shall, without prejudice to any other rights of the Grantor, bear all risk of loss, damage or destruction to the Easement Area, Easement Area improvements, Grantee equipment, fixtures, or other property thereon, arising from any causes whatsoever, with or without fault by the Grantor; provided, however, the Grantor shall not be relieved of responsibility for loss or damage that is solely the result of the gross negligence or willful misconduct of the Grantor to the extent such loss or damage is not covered by insurance. Grantee is required to carry and maintain pursuant to Paragraph 10.2.

10.2. Grantee Insurance Coverage. Grantor acknowledges that Grantee is a self-insured municipal utility.

10.3. General Requirements. [Intentionally deleted]

Exhibit D – Form of Easement
10.4. Evidence of Insurance. [Intentionally deleted]

10.5. Damage or Destruction of Easement Area. In the event all or part of the Easement Area or Easement Area improvements, Grantee equipment, fixtures, or other property thereon is damaged (except de minimis damage) or destroyed, the risk of which is assumed by the Grantee under Paragraph 10.1, the Grantee shall promptly give notice thereof to the Grantor and the Parties shall proceed as follows:

10.5.1. If the Grantor, in consultation with the Grantee, determines that the magnitude of damage is so extensive that the Easement Area cannot be used by the Grantee for its operations and the repairs, rebuilding, or replacement of the Easement Area cannot reasonably be expected to be substantially completed within three (3) months of the occurrence of the casualty ("Extensive Damage or Destruction of Easement Area"), either Party may terminate this Easement as provided in Paragraph 5.1. If this Easement is terminated pursuant to Paragraph 5.1, any insurance proceeds received as a result of any casualty loss to the Easement Area shall be applied to the restoration of the Easement Area in accordance with Section 13.

10.5.2. If the Grantor, in consultation with the Grantee, shall determine that Extensive Damage or Destruction of the Easement Area has not occurred and Grantee otherwise is in compliance with this Easement, then neither Party shall have the right to terminate this Easement as provided in Paragraph 5.1. The Grantee shall, as soon as reasonably practicable after the casualty, restore the Easement Area as nearly as possible to the condition that existed immediately prior to such loss or damage. Any insurance proceeds received as a result of any casualty loss to the Easement Area shall be applied first, to restoring the damaged area and removing any related debris to the reasonable satisfaction of the Government and second, to repairing, rebuilding, and/or replacing the Easement Area to the reasonable satisfaction of the Government.

11. ALTERATIONS

11.1. Alterations. At least 30 days before doing any work to repair, build, alter, modify, or demolish any improvements in the Easement Area, Grantee shall give written notice of its plans to the Installation Commander through the Base Civil Engineer, who shall have the right to review and approve or reasonably modify the plans and place reasonable restrictions on Grantee's access, equipment, methods, materials, and manpower related to accomplishing the work, in order to ensure it is done consistent with Grantor's use of the Easement Area and the operation of the Installation.

11.2. Airfield Construction. Any new construction or alteration at the end of the runway, or within lateral clear zones for the runway, shall comply with any applicable Air Force requirements, such as those contained in Unified Facilities Criteria (UFC) 3-260-01 titled "Airfield and Heliport Planning and Design," dated 17 November 2008.

12. COSTS OF UTILITIES/SERVICES

[Intentionally deleted]

13. RESTORATION

13.1. Grantee's Removal Obligation. Upon the expiration, abandonment, or termination of the Easement, Grantor may elect, in its sole discretion, to require Grantee to remove all its above-ground improvements and other above-ground property from the Easement Area and restore the surface of the Easement Area at Grantee's sole expense to substantially the same condition that existed immediately before the grant, all to Grantor's satisfaction. Grantor shall give written notice to Grantee of such election within a reasonable time after learning of Grantee's abandonment, or together with Grantor's written

Exhibit D – Form of Easement
notice of termination. Alternatively, at those same times, Grantor may elect and give written notice to Grantee that some or all of Grantee’s easement improvements and any other property Grantee may leave on the Easement Area will revert or be transferred to Grantor. Such reversion or transfer in lieu of Grantee’s removal and restoration obligation shall be automatic and at no cost to Grantor and shall be effective on the Term Expiration Date or the effective date of any abandonment or termination, without additional consideration therefore. Grantee shall execute any documentation reasonably requested by the Grantor to confirm any transfer or conveyance.

13.2. Government Restoration of Easement Area. If Grantee fails to timely satisfy its removal and restoration obligations, then at Grantor’s option, Grantee’s improvements, equipment, fixtures and personal property located on the Easement Area shall either become Grantor’s property without compensation therefore or the Grantor may cause Grantee’s above-ground improvements to be removed or destroyed and the Easement Area to be so restored at the expense of Grantee as to any above-ground improvements; and no claim for damages against Grantor, its officers, employees, agents, or contractors shall be created by or made on account of such removal or destruction and restoration work. Grantee shall reimburse Grantor for any expenses it incurs to restore the surface of the Easement Area to the condition required by this grant within thirty (30) days after the Government provides written notice to Grantee of the reimbursement amount together with reasonable documentary support of the reimbursement amount.

CHANGES IN OWNERSHIP OR CONTROL

14. ASSIGNMENT

The Grantee may not assign this Easement without the prior written consent of the Grantor.

15. LIENS AND MORTGAGES

[Intentionally deleted]

ENVIRONMENT

16. ENVIRONMENTAL PROTECTION

16.1. Compliance with Applicable Laws. Grantee shall comply with all Applicable Laws for environmental protection, including flood plains, wetlands, and pollution control and abatement, and shall pay all fines and assessments by regulators for Grantee’s failure to comply with such standards. Grantee shall also indemnify the Grantor for costs incurred by Grantor that are caused by Grantee’s violation of any such law, regulation, or standard to the full extent permitted by law and shall also reimburse the Grantor for any civil or criminal fines or penalties levied against the Grantor for any environmental, safety, occupational health, or other infractions caused by or resulting from Grantee’s action or inaction or that of its officers, agents, employees, contractors, subcontractors, licensees, or the invitees of any of them. In the event that any actions by Grantee including those of its officers, agents, employees, contractors, subcontractors, licensees, or invitees cause or contribute to a spill or other release of a substance or material in violation of an Applicable Law, Grantee shall conduct any required cleanup, abatement, or response action in accordance with all Applicable Laws.

16.2. Environmental Permits. The Grantee shall obtain at its sole cost and expense any environmental and other necessary permits required for its operations under this Easement, independent of any existing permits.

16.3. Indemnification. The Grantee shall, to the extent permitted by law, indemnify the Grantor, its
agents and employees, from and against any loss, damage, claim, or liability whatsoever resulting in personal injury or death, or damage of property of the Grantor and others, directly or indirectly due to the negligent exercise by the Grantee of any of the rights granted by this Easement, or any other negligent act or omission of the Grantee, including failure to comply with the obligations of this Easement or of any Applicable Laws that may be in effect from time to time. The obligations under this Paragraph 16.3 shall survive the expiration or termination of this Easement.

16.4. Government Caused Environmental Damage. Notwithstanding anything in Paragraph 16.3 to the contrary, the Grantor agrees, as between the Parties, that it will not consider or seek to have others consider the Grantee a potentially responsible party under CERCLA due to the presence, use or release of any “hazardous substance,” as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq (“CERCLA”), on the Easement Area on or prior to the Term Beginning Date (or the migration onto the Easement Area before, on or after the Term Beginning Date of any such hazardous substance) provided that the Grantee has not by its negligence (a) caused, exacerbated, or contributed to a further release of such hazardous substance, (b) released or disposed of any new or additional hazardous substance, or (c) increased the cost of a required response or restoration action for such hazardous substance. Nothing in this acknowledgment shall be construed to affect the liability of any person or entity, including the Grantee and the Grantor, under CERCLA, nor shall the Grantor’s agreement in this Paragraph 16.4 affect or limit the rights of any federal agency other than the Department of the Air Force.

16.5. Records Maintenance and Accessibility. The Grantor’s rights under this Easement specifically include the right for Grantor to inspect the Easement Area, upon reasonable notice as provided under Paragraph 4.3, for compliance with Applicable Laws, including environmental laws, rules, regulations, and standards. Such inspections are without prejudice to the rights of duly constituted enforcement officials to make such inspections. Violations identified by the Grantor will be reported to the Grantee and to appropriate regulatory agencies, as required by Applicable Law. The Grantee will be liable for the payment of any fines and penalties that may be imposed as a result of the actions or omissions of the Grantee.

16.6. Grantee Response Plan. The Grantee shall comply with all Installation plans and regulations for responding to hazardous waste, fuel, and other chemical spills.

16.7. Pesticide Management. Any pesticide use by Grantee will require prior written approval by Grantor.

16.8. Compliance with Water Conservation Policy. The Grantee will comply with the Installation water conservation policy, as amended from time to time (to the extent that such policy exists and the Grantee receives copies thereof), from the Term Beginning Date through the Term Expiration Date.

16.9. Protection of Environment and Natural Resources. The Grantee will use all reasonable means available to protect environmental and natural resources, consistent with Applicable Laws and this Easement. Where damage arising from the Grantee’s activities nevertheless occurs, the Grantee shall be fully liable for any such damage.

16.10. Pesticides and Pesticide Related Chemicals in Soil. The Grantee acknowledges that the surface soil on the Easement Area may contain elevated levels of pesticides and pesticide-related chemicals applied in the normal course of maintaining the Easement Area. The Grantee shall manage all such soil disturbed by the Grantee in accordance with the requirements of any Applicable Laws. The Grantor will not be responsible for injury or death of any person affected by such soil conditions whether the person is warned or not.

Exhibit D – Form of Easement
17. ASBESTOS-CONTAINING MATERIALS (ACM) AND LEAD-BASED PAINT (LBP)

[Intentionally deleted]

18. SAFETY, HAZARDOUS MATERIALS, AND WASTE MANAGEMENT

18.1. Compliance With Health and Safety Plan. The Grantee shall comply with the provisions of any health or safety plan in effect under the Installation Restoration Program (IRP) (to the extent the Grantee has received a copy thereof), or any hazardous substance remediation or response agreement of the Government with environmental regulatory authorities (to the extent the Grantee receives a copy thereof if the agreement is not of public record) during the course of any of the response or remedial actions described in Paragraph 20.3. Any inspection, survey, investigation, or other response or remedial action to be conducted within Easement Area will, to the extent practicable, be coordinated with the Grantee. The Grantee and any assignees, licensees, or invitees shall have no claim on account of such entries against the Grantor or any officer, agent, employee, contractor, or subcontractor thereof, except to the extent permitted under federal law, including the Federal Tort Claims Act.

18.2. Occupational Safety and Health. The Grantee shall comply with all Applicable Laws relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes.

19. HISTORIC PRESERVATION

The Grantee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity. In the event such items are discovered on the Easement Area, the Grantee shall immediately notify the Grantor and protect the site and the material from further disturbance until the Grantor gives clearance to proceed.

20. INSTALLATION RESTORATION PROGRAM (IRP)

20.1. IRP Records. On or before the Term Beginning Date, the Government shall provide the Grantee with copies of the IRP records applicable to the Easement Area, if any, and thereafter shall provide to the Grantee a copy of any new IRP records or amendments to or restatements of existing IRP records affecting the Easement Area. The Grantee expressly acknowledges that some or all of the response actions to be undertaken with respect to the IRP may impact the Grantee’s quiet use and enjoyment of the Easement Area. Notwithstanding any other provision of this Easement, the Grantor shall have no liability to the Grantee or any assignees, licensees, or invitees should implementation of the IRP or other environment requirements, whether imposed by law, regulatory agencies, or the Grantor, interfere with the Grantee’s or any of its assignee’s, licensee’s, or invitee’s use of the Easement Area. The Grantee shall have no claim or cause of action against the Grantor, or any officer, agent, employee, contractor, or subcontractor thereof, on account of any such interference, whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the IRP or under this Easement or otherwise.

20.2. Government Right of Entry. Consistent with Paragraph 4.3, the Grantor and its officers, agents, employees, contractors, and subcontractors shall have the right, upon reasonable notice to the Grantee, to enter upon the Easement Area for the purposes enumerated in Paragraphs 20.2.1 through 20.2.4.

20.2.1. To conduct investigations and surveys, including, where necessary, drilling, soil and water samplings, testpitting, testing soil borings, and other activities related to the IRP;
20.2.2. To inspect field activities of the Grantor and its contractors and subcontractors in implementing the IRP;

20.2.3. To conduct any test or survey related to the implementation of the IRP or environmental conditions at the Easement Area or to verify any data submitted to the EPA or the State Environmental Agency by the Government relating to such conditions; and

20.2.4. To construct, operate, maintain, or undertake any other response or remedial action as required or necessary under the IRP, including, but not limited to, monitoring wells, pumping wells, and treatment facilities. Any investigations and surveys, drilling, testpitting, test soil borings, and other activities undertaken pursuant to this Paragraph 20.2.4 shall be conducted in a manner that is as inconspicuous as practicable. Any monitoring wells, pumping wells, and treatment facilities required pursuant to this Paragraph 20.2.4 shall be designed and installed to be as inconspicuous as practicable. The Grantor shall attempt to minimize any interference with the Grantee’s quiet use and enjoyment of the Easement Area arising as the result of such wells and treatment facilities. The Grantor shall, subject to the availability of appropriations therefor, repair any damage caused by its exercise of the rights in this Paragraph 20.2.

20.3. ACCESS FOR RESTORATION

20.3.1. Nothing in this Easement shall be interpreted as interfering with or otherwise limiting the right of the Grantor and its duly authorized officers, employees, contractors of any tier, agents, and invitees to enter upon the Easement Area for the purposes enumerated in this Paragraph 20.3 and for such other purposes as are consistent with the provisions of an Federal Facility Agreement (FFA) or required to implement the IRP conducted under the provisions of 10 U.S.C. §§ 2701-2705. The Grantee shall provide reasonable assistance to the Grantor to ensure the Grantor’s activities under this Paragraph 20.3 do not damage property of the Grantee on the Easement Area.

20.3.2. The United States Environmental Protection Agency (USEPA) and State of Texas including their subordinate political units, and their duly authorized officers, employees, contractors of any tier, and agents may, upon reasonable notice to the Grantee and with Air Force’s consent, enter upon the Easement Area for the purposes enumerated in Paragraph 20.3 and for such other purposes as are consistent with the provisions of an FFA. The Grantee shall provide reasonable assistance to USEPA and the State to ensure their activities under this Paragraph 20.3 do not damage property of the Grantee on the Easement Area.

21. ENVIRONMENTAL BASELINE SURVEY / ENVIRONMENTAL CONDITION OF PROPERTY

An Environmental Baseline Survey (“EBS”) for the Easement Area dated has been delivered to the Grantee and is attached as Exhibit D hereto. The EBS sets forth those environmental conditions and matters on and affecting the Easement Area on the Easement Term Beginning Date as determined from the records and analyses reflected therein. The EBS is not, and shall not constitute, a representation or warranty on the part of the Grantor regarding the environmental or physical condition of the Easement Area, and the Grantor shall have no liability in connection with the accuracy or completeness thereof. In this regard the Grantee acknowledges and agrees that the Grantee has relied, and shall rely, entirely on its own investigation of the Easement Area in determining whether to enter into this Easement. A separate EBS for the Easement Area shall be prepared by the Grantor, after the expiration or earlier termination of this Easement (“Final EBS”). Such Final EBS shall document the environmental conditions and matters on and affecting the Easement Area on the Term Expiration Date as determined from the records and analyses reflected therein. The Final EBS will be used by the Government to determine whether the Grantee has fulfilled its obligations to maintain and restore the Easement Area under this Easement including, without limitation, the obligations stated in Paragraph 13 and Paragraph 16.

Exhibit D – Form of Easement
22. GENERAL PROVISIONS

22.1. Covenant Against Contingent Fees. The Grantee warrants that it has not employed or retained any person or agency to solicit or secure this Easement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Grantor the right to annul this Easement without liability or in its discretion to recover from the Grantee the amount of such commission, percentage, brokerage, or contingent fee, in addition to the consideration herewith set forth. This warranty shall not apply to commissions payable by the Grantee on this Easement secured or made through bona fide established commercial agencies retained by the Grantee for the purpose of doing business. “Bona fide established commercial agencies” has been construed to include licensed real estate brokers engaged in the business generally.

22.2. Officials Not to Benefit. No Member of, or Delegate to the Congress, or resident commissioner, shall be admitted to any part or share of this Easement or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Easement if made with a corporation for its general benefit.

22.3. Facility Nondiscrimination. As used only in this Paragraph, the term “Facility” means lodgings, stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in any building covered by, or built on land covered by, this Easement.

22.3.1. The Grantee agrees that it will not discriminate against any person because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any Facility, including any and all services, privileges, accommodations, and activities provided on the Easement Area. This does not require the furnishing to the general public the use of any Facility customarily furnished by the Grantee solely for use by any assignees, licensees, or invitees or their guests and invitees.

22.3.2. In the event of the Grantee’s noncompliance, the Grantor may take appropriate action to enforce compliance, and may terminate this Easement for default and breach as provided in Paragraph 5, or may pursue such other remedies as may be provided by law.

22.4. Gratuities.

22.4.1. The Grantor may, by written notice to the Grantee, terminate this Easement if, after notice and hearing, the Secretary of the Air Force or a designee determines that the Grantee, or any agent or representative of the Grantee, offered or gave a gratuity (e.g., an entertainment or gift) to any officer, official, or employee of the Grantor and intended, by the gratuity, to obtain an easement or other agreement or favorable treatment under an easement or other agreement, except for gifts or benefits of nominal value offered to tenants of the Easement Area in the ordinary course of business.

22.4.2. The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

22.4.3. If this Easement is terminated under Paragraph 22.4.1, the Grantor shall be entitled to pursue the same remedies against the Grantee as in a breach of this Easement by the Grantee, and in addition to any other damages provided by law, to exemplary damages of not fewer than three (3), or more than ten (10), times the cost incurred by the Grantee in giving gratuities to the person concerned, as determined by the Grantor.

Exhibit D – Form of Easement
22.4.4. The rights and remedies of the Grantor provided in this Paragraph 22.4 shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Easement.

22.5. No Joint Venture. Nothing contained in this Easement will make, or shall be construed to make, the Parties’ partners or joint venturers with each other, it being understood and agreed that the only relationship between the Grantor and the Grantee under this Easement is that of landlord and tenant. Nothing in this Easement will render, or be construed to render, either of the Parties liable to any third party for the debts or obligations of the other Party.

22.6. Records and Books of Account. The Secretary of the Air Force, the Comptroller General of the United States, or the Auditor General of the United States Air Force, or any of their duly authorized representatives, shall, until the expiration of three (3) years after the expiration or earlier termination of this Easement, have access to, and the right to examine, any directly pertinent books, documents, papers, and records of the Grantee involving transactions related to this Easement.

22.7. Remedies Cumulative; Failure of Government to Insist on Compliance. The specified remedies to which the Grantor may resort under the terms of this Easement are distinct, separate, and cumulative, and are not intended to be exclusive of any other remedies or means of redress to which the Grantor may be lawfully entitled in case of any breach or threatened breach by the Grantee of any provisions of this Easement. The failure of the Grantor to insist on any one or more instances upon strict performance of any of the terms, covenants, or conditions of this Easement shall not be construed as a waiver or a relinquishment of the Grantor’s right to the future performance of any such terms, covenants, or conditions, but the obligations of the Grantee with respect to such future performance shall continue in full force and effect. No waiver by the Grantor of any provision of this Easement shall be deemed to have been made unless expressed in writing and signed by an authorized representative of the Grantor.

22.8. Counterparts. This Easement may be executed in counterparts, each of which shall be deemed an original of equal dignity with the other and all shall be deemed one and the same instrument.

22.9. Personal Pronouns. All personal pronouns used in this Easement, whether used in the masculine, feminine, or neuter gender, will include all other genders.

22.10. Entire Agreement. It is expressly agreed that this written instrument, together with the provisions of other documents that are expressly incorporated by reference by the terms of this Easement, embodies the entire agreement between the Parties regarding the use of the Easement Area by the Grantee. In the event of any inconsistency between the terms of this Easement and of any provision that has been incorporated by reference, the terms of this Easement shall govern. There are no understandings or agreements, verbal or otherwise, between the Parties except as expressly set forth in this Easement. This instrument may only be modified or amended by mutual agreement of the Parties in writing and signed by each of the Parties.

22.11. Partial Invalidity. If any term or provision of this Easement, or the application of the term or provision to any person or circumstance, is, to any extent, invalid or unenforceable, the remainder of this Easement, or the application of the term or provision to persons or circumstances other than those for which the term or provision is held invalid or unenforceable, will not be affected by the application, and each remaining term or provision of this Easement will be valid and will be enforced to the fullest extent permitted by law.

22.12. Interpretation of Easement. The Parties and their legal counsel have participated fully in the negotiation and drafting of this Easement. This Easement has been prepared by the Parties equally, and should be interpreted according to its terms. No inference shall be drawn that this Easement was prepared by, or is the product of, either Party.

Exhibit D – Form of Easement
22.13. **Identification of Government Agencies, Statutes, Programs, and Forms.** Any reference in this Easement, by name or number, to a government department, agency, statute, regulation, program, or form shall include any successor or similar department, agency, statute, regulation, program, or form.

22.14. **Approvals.** Any approval or consent of the Parties required for any matter under this Easement shall be in writing and shall not be unreasonably withheld, conditioned or denied unless otherwise indicated in this Easement.

22.15. **Third-Party Beneficiaries.** There shall be no third-party beneficiaries of this Easement and none of the provisions of this Easement shall be for the benefit of, or enforceable by, any creditors of the Grantee.

22.16. **No Individual Liability of Government Officials.** No covenant or agreement contained in this Easement shall be deemed to be the covenant or agreement of any individual officer, agent, employee, or representative of the Grantor or Grantee, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution of this Easement, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

22.17. **Excusable Delays.** The Grantor and Grantee shall be excused from performing an obligation or undertaking provided for in this Easement, and the period for the performance of any such obligation or undertaking shall be extended for a period equivalent to the period of such delay, so long as such performance is prevented or unavoidably delayed, retarded, or hindered by an act of God; fire; earthquake; flood; explosion; war; invasion; insurrection; riot; mob violence; sabotage; act of terrorism; inability to procure or a general shortage of, labor, equipment, facilities, materials, or supplies in the open market; failure or unavailability of transportation; strike, lockout, action of labor unions; a taking by eminent domain, requisition, laws, orders of government, or of civil, military, or naval authorities (but only such orders of a general nature pertaining to the Easement Area and comparable properties in the State; governmental restrictions (including without limitation, access restrictions imposed by the Grantor and arising without fault or negligence on the part of the Grantee that significantly hinder the Grantee’s ability to access the Easement Area and perform its obligations under this Easement in a timely manner); required environmental remediation or any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control, and without the fault or negligence of, the Grantor or the Grantee, as the case may be, and/or any of their respective officers, agents, servants, employees, and/or any others who may be on the Easement Area at the invitation of the Grantee, or the invitation of any of the aforementioned persons, specifically excluding, however, delays for adjustments of insurance and delays due to shortage or unavailability of funds (collectively, “Excusable Delays”). Nothing contained in this Paragraph 22.17 shall excuse the Grantee from the performance or satisfaction of an obligation under this Easement that is not prevented or delayed by the act or occurrence giving rise to an Excusable Delay.

23. **SPECIAL PROVISIONS**

[Intentionally deleted]

24. **RIGHTS NOT IMPAIRED**

24.1. **Rights Not Impaired.** Nothing contained in this Easement shall be construed to diminish, limit, or restrict any right, prerogative, or authority of the Grantor over the Easement Area relating to the security or mission of the Installation, the health, welfare, safety, or security of persons on the Installation, or the maintenance of good order and discipline on the Installation, as established in law, regulation, or military custom.

Exhibit D – Form of Easement
24.2. Installation Access. The Grantee acknowledges that it understands that the Installation is an operating military Installation that could remain closed to the public and accepts that the Grantee’s operations may from time to time be restricted temporarily or permanently due to the needs of national defense. Access on the Installation may also be restricted due to inclement weather and natural disasters. The Grantee further acknowledges that the Grantor strictly enforces federal laws and regulations concerning controlled substances (drugs) and that personnel, vehicles, supplies, and equipment entering the Installation are subject to search and seizure under 18 U.S.C. § 1382. The Grantor will use reasonable diligence in permitting the Grantee access to the Easement Area at all times, subject to the provisions of this paragraph. Notwithstanding the foregoing, the Grantor will not be responsible for lost time or costs incurred due to interference, delays in entry, temporary loss of access, barring of individual employees from the Installation under federal laws authorizing such actions, limitation, or withdrawal of an employee’s on-base driving privileges, or any other security action that may cause employees to be late to, or unavailable at, their work stations, or delay arrival of parts and supplies. The Grantor retains the right to refuse access to the Easement Area by the Grantee’s parties. The Grantee, its assignees, employees, and invitees fully agree to abide with all access restrictions imposed by the Grantor in the interest of national defense.

24.3. Permanent Removal and Barment. Notwithstanding anything contained in this Easement to the contrary, the Grantor has the right at all times to order the permanent removal and barment of anyone from the Installation, including but not limited to assignees, if it believes, in its sole discretion, that the continued presence on the Installation of that person represents a threat to the security or mission of the Installation, poses a threat to the health, welfare, safety, or security of persons occupying the Installation, or compromises good order and/or discipline on the Installation.

24.4. No Diminishment of Rights. Except as provided in Paragraph 24.1, nothing in this Easement shall be construed to diminish, limit, or restrict any right of the Grantee under this Easement, or the rights of any assignees, licensees, or invitees as prescribed under their easements or Applicable Laws.

25. APPLICABLE LAWS

25.1. Compliance With Applicable Laws. The Grantee shall comply, at its sole cost and expense (except for matters for which the Grantor remains obligated hereunder pursuant to Paragraph 16), with all Applicable Laws including without limitation, those regarding construction, demolition, maintenance, operation, sanitation, licenses, or permits to do business, protection of the environment, pollution control and abatement, occupational safety and health, and all other related matters. The Grantee shall be responsible for determining whether it is subject to local building codes or building permit requirements, and for compliance with them to the extent they are applicable.

25.1.1. “Applicable Laws” means, collectively, all present and future laws, ordinances, rules, requirements, regulations, and orders of the United States, the State where the Easement Area is located and any other public or quasi-public federal, State, or local authority, and/or any department or agency thereof, having jurisdiction over the Project (“Project” means, collectively, the Easement Area and the Easement Area Improvements) and relating to the Project or imposing any duty upon the Grantee with respect to the use, occupation, or alteration of the Project during the Easement Term.

25.2. Permits, Licenses, and Approvals. The Grantee will be responsible for and obtain, at its sole expense, prior to the commencement of construction and demolition, and upon completion of the building of Easement Area improvements, any approvals, permits, or licenses that may be necessary to construct, occupy, and operate the Grantee improvements and Grantee equipment in compliance with all Applicable Laws.
25.3. **No Waiver of Sovereign Immunity.** Nothing in this Easement shall be construed to constitute a waiver of federal supremacy or state or federal sovereign immunity.

25.4 **Grantee Responsibility for Compliance.** Responsibility for compliance as specified in this Paragraph 25 rests exclusively with the Grantee. The Grantor assumes no enforcement or supervisory responsibility, except with respect to matters committed to its jurisdiction and authority. The Grantee shall be liable for all costs associated with compliance, defense of enforcement actions or suits, payment of fines, penalties, or other sanctions and remedial costs related to the Grantee's use and occupation of the Easement Area.

25.5. **Grantee Right to Contest.** The Grantee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to the Grantor, the validity or application of any law, ordinance, order, rule, regulation, or requirement of the nature referred to in this Paragraph 25. The Grantor shall not be required to join in or assist the Grantee in any such proceedings.

26. **AVAILABILITY OF FUNDS**

The obligations of any Party to this Easement that is a Federal, State, or local governmental entity or of any transferee of this Easement shall be subject to the availability of appropriated funds for any such obligation, unless such Party or transferee is a non-appropriated fund instrumentality of the United States. No appropriated funds are obligated by this Easement.

27. **CONGRESSIONAL REPORTING**

This Easement is not subject to 10 U.S.C. § 2662.

28. **AMENDMENTS**

This Easement may be amended at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of each of the respective Parties. Such amendments may include, but are not limited to, extensions of the Easement Termination Date.

29. **GENERAL INDEMNIFICATION BY GRANTEE**

29.1. **No Government Liability.** Except as otherwise provided in this Easement, the Government shall not be responsible for damage to property or injuries or death to persons that may arise from, or be attributable or incident to, the operation or state or repair of the Easement Area, or the use and occupation of the Easement Area, or for damages to the property of the Grantee, or injuries or death of the Grantee's officers, agents, servants, employees, or others who may be on the Easement Area at their invitation or the invitation of any one of them.

29.2. **Grantee Liability.** Except as otherwise provided in this Easement, and in the last sentence of this Paragraph 29.2, the Grantee agrees to assume all risks of loss or damage to property and injury or death to persons by reason of, or incident to, the possession and/or use of the Easement Area by the Grantee, the Grantee's officers, agents, servants, employees, or others (excluding those employees or agents of the Government who are on the Easement Area for the purpose of performing official duties) who may be on the Easement Area at their invitation or the invitation of any one of them (the "Grantee Parties"), or the activities conducted by or on behalf of the Grantee Parties under this Easement. The Grantee expressly waives all claims against the Government for any such loss, damage, bodily injury, or death caused by, or occurring as a consequence of, such possession and/or use of the Easement Area by the Grantee Parties, or the conduct of activities or the performance of responsibilities under this Easement. The Grantee further agrees, to the extent permitted by Applicable Laws, to indemnify, save, and hold harmless the

Exhibit D – Form of Easement
Government, its officers, agents, and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs, and attorneys' fees arising out of, claimed on account of, or in any manner predicated upon bodily injury, death, or property damage resulting from, related to, caused by, or arising out of the possession and/or use of any portion of the Easement Area, or any activities conducted or services furnished by or on behalf of the Grantee Parties in connection with, or pursuant, to this Easement, and all claims for damages against the Government arising out of, or related to, the Easement. The agreements of Grantee contained in this Paragraph 29.2 do not extend to claims caused by the gross negligence or willful misconduct of officers, agents, contractors, or employees of the Grantor without contributory fault on the part of any other person, firm, or corporation. The Grantor will give the Grantee notice of any claim against it covered by this indemnity as soon as practicable after learning of it. Notwithstanding the above, if any provision of this Paragraph 29.2 conflicts with Paragraph 16.4, the provisions of Paragraph 16.4 shall control to the extent of the conflict.

30. ENTIRE AGREEMENT

It is expressly understood and agreed that this written instrument embodies the entire agreement between the Parties regarding the use of the Easement Area by the Grantee, and there are no understandings or agreements, verbal or otherwise, between the Parties except as expressly set forth in this Easement.

31. CONDITION AND PARAGRAPH HEADINGS

The brief headings or titles preceding each Paragraph are merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction and interpretation of this Easement.

32. STATUTORY AND REGULATORY REFERENCES

Any reference to a statute or regulation in this Easement shall be interpreted as being a reference to the statute or regulation as it has been or may be amended from time to time.

33. PRIOR AGREEMENTS

This Easement supersedes all prior agreements, if any, to the Grantee for the Easement Area, but does not terminate any obligations of the Grantee under such prior easements that may by their terms survive the termination or expiration of those easements, except to the extent such obligations are inconsistent with this Easement.

34. EXHIBITS

Four (4) exhibits are attached to and made a part of this Grant, as follows:

Exhibit A – Description of Easement Area
Exhibit B – Depiction of Easement Area
Exhibit C – Physical Condition Report
Exhibit D – Environmental Baseline Survey

Exhibit D – Form of Easement
IN WITNESS WHEREOF, I have hereunto set my hand at the direction of the Secretary of the Air Force, the ______ day of ____________, 20__. 

THE UNITED STATES OF AMERICA, acting by and through the Secretary of the Air Force

By: ____________________ 
ROBERT E. MORIARTY
Director, Installations Directorate
Air Force Civil Engineer Center

STATE OF TEXAS §
COUNTY OF BEXAR §

This Easement was acknowledged before me, the undersigned, on this ____ day of ___________ 20__, by ROBERT E. MORIARTY, personally known to me to be the Director, Installations Directorate of the Air Force Civil Engineer Center.

______________________________
Notary Public, State of Texas

______________________________
Printed Name

______________________________
Commission Expiration Date

Exhibit D – Form of Easement
CITY OF SAN ANTONIO, by and through its SAN ANTONIO WATER SYSTEM (SAWS)

By: __________________________
Name: _________________________
Title: __________________________

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this ___ day of ____________, 20__ by __________________________ [NAME AND TITLE] of San Antonio Water System.

__________________________
Notary Public, State of Texas

__________________________
Printed Name

__________________________
Commission Expiration Date

Exhibit D – Form of Easement
Monument

Pedestrian Bridge 1

Pedestrian Bridge 2

Truemper Road Bridge

Pedestrian Bridge 3

Exhibit as of September 25, 2018

SAN ANTONIO WATER SYSTEM

CAS CONSULTING & SERVICES, INC.

BLACK & VEATCH

Building a world of difference

W6 UPPER SEGMENT 30% DESIGN
AIR FORCE COORDINATION EXHIBIT

Exhibit E-2
Exhibit F-1

NOTE:
Utilities are for display only. They are approximate and therefore may or may not include all existing lines.
Exhibit F-2

NOTE:
Utilities are for display only. They are approximate and therefore may or may not include all existing lines.
Exhibit G
SAWS Sewer Infrastructure Schedule

To be added to this MOA upon completion by the Parties
Exhibit H
Completion Notice
Completion Notice

The undersigned authorized officer of the San Antonio Water System ("SAWS") submits this Completion Notice to the United States Air Force ("USAF") pursuant to paragraph 13 of the Memorandum of Agreement entered into as of ____________, 2019, between SAWS and the United States of America, acting by and through the Secretary of the Air Force ("MOA").

The undersigned certifies:

(a) SAWS has made or taken, or caused to be made or taken, all Conversion Repairs that are required to complete the Sewer Main Conversion, as disclosed in the Evaluation dated ____________, 20__, prepared by [insert name of professional engineer or professional engineering firm] and more particularly described on Exhibit A to this Completion Notice; and

(b) any deviations from the Conversion Repairs disclosed in the Evaluation, but that have been agreed to by the Parties, are described on Exhibit B to this Completion Notice.

Capitalized terms used but not defined in this Completion Notice have the meanings ascribed to them in the MOA

SAN ANTONIO WATER SYSTEM

By: ________________________________

Printed Name & Title

Date: ___________________________
UTILITY SYSTEM BILL OF SALE

(EQUIPMENT, FIXTURES, Structures, and OTHER IMPROVEMENTS)

WASTEWATER SYSTEM

AT

JOINT BASE SAN ANTONIO – LACKLAND, TEXAS

This Bill of Sale ("Bill of Sale") is made by and between the San Antonio Water System ("SAWS"), a municipally-owned utility located in San Antonio, Bexar County, duly incorporated in the State of Texas, to United States Of America, acting by and through the Secretary of the Air Force ("USAF"), to be effective as of 12:01 am, __________, 20__ (the "Effective Date"). SAWS and the USAF sometimes may be referred to herein as the "Parties."

RECITALS

A. SAWS and the USAF executed a Memorandum of Agreement effective as of ___, 2019 ("MOA"), which provides for the transfer to the USAF by SAWS of all of its right, title and interest of SAWS in all sanitary sewer pipes, lift stations, appurtenances and other components of the sanitary sewer system (the "Wastewater System") located on the portion of Joint Base San Antonio-Lackland depicted on Exhibits A-1 and A-2 to this Bill of Sale;

B. The Parties have completed the inventory of the Wastewater System attached as Exhibit B to this Bill of Sale and the USAF ("SAWS Sewer Infrastructure Schedule");

C. The USAF is ready to assume full responsibility for all operations and maintenance of the Wastewater System pursuant to the MOA; and

D. This Bill of Sale covers all of the Wastewater System identified on the SAWS Sewer Infrastructure Schedule depicted on Exhibit C (the "Bill of Sale Assets").

AGREEMENTS

NOW, THEREFORE, in consideration of the MOA and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. SAWS hereby sells, transfers, sets over, and delivers to the USAF, all of the right, title, and interest of SAWS in and to the Bill of Sale Assets, as and where the Bill of Sale Assets presently exist, comprised of all equipment, fixtures, structures, and other improvements more specifically described in the SAWS Sewer Infrastructure Schedule, including the Existing Sewer Main.

Exhibit I - Bill of Sale
2. SAWS hereby covenants that it has the right to sell and transfer its right, title and interest in the Bill of Sale Assets to the USAF.

3. SAWS SPECIFICALLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTIES OF CONDITION, OF FITNESS FOR A PARTICULAR PURPOSE, OF MERCHANTABILITY, OR OF ANY OTHER KIND OF WARRANTY UNDER THE LAWS OF THE UNITED STATES AND OF THE STATE OF TEXAS. THE BILL OF SALE ASSETS ARE SOLD AND TRANSFERRED "AS IS, WHERE IS." USAF ACKNOWLEDGES THAT IT IS NOT RELYING UPON THE ACCURACY OR COMPLETENESS OF ANY REPRESENTATION, RENDERING, PROMISE, STATEMENT OR OTHER ASSERTION OR INFORMATION WITH RESPECT TO THE BILL OF SALE ASSETS MADE OR FURNISHED BY OR ON BEHALF OF, OR OTHERWISE ATTRIBUTED TO, SAWS OR ANY OF ITS AGENTS, EMPLOYEES, OFFICIALS OR REPRESENTATIVES, ANY AND ALL SUCH RELIANCE BEING HEREBY EXPRESSLY AND UNEQUIVOCALLY DISCLAIMED, BUT IS RELYING SOLELY AND EXCLUSIVELY UPON ITS OWN EXPERIENCE AND ITS INDEPENDENT JUDGMENT, EVALUATION AND EXAMINATION OF THE BILL OF SALE ASSETS. USAF FURTHER UNEQUIVOCALLY DISCLAIMS (I) THE EXISTENCE OF ANY DUTY TO DISCLOSE ON THE PART OF SAWS OR ANY OF ITS AGENTS, EMPLOYEES, OFFICIALS OR REPRESENTATIVES AND (II) ANY RELIANCE BY USAF ON THE SILENCE OR ANY ALLEGED NONDISCLOSURE OF SAWS OR ANY OF ITS AGENTS, EMPLOYEES, OFFICIALS OR REPRESENTATIVES. USAF TAKES THE BILL OF SALE ASSETS UNDER THE EXPRESS UNDERSTANDING THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES. USAF EXPRESSLY WARRANTS AND REPRESENTS THAT NO PROMISE OR AGREEMENT WHICH IS NOT HEREIN EXPRESSED HAS BEEN MADE TO IT ABOUT THE BILL OF SALE ASSETS AND HEREBY DISCLAIMS ANY RELIANCE UPON ANY SUCH PROMISE OR AGREEMENT ABOUT THE BILL OF SALE ASSETS. USAF HAS AGREED TO DISCLAIM RELIANCE ON SAWS AND HAS AGREED TO ACCEPT THE BILL OF SALE ASSETS "AS IS, WHERE IS" WITH FULL AWARENESS THAT THE BILL OF SALE ASSETS PRIOR USES OR OTHER MATTERS COULD AFFECT THEIR CONDITION, VALUE, SUITABILITY OR FITNESS; AND USAF CONFIRMS THAT USAF IS HEREBY ASSUMING ALL RISK ASSOCIATED THEREWITH. USAF UNDERSTANDS THAT THE DISCLAIMERS OF RELIANCE AND OTHER PROVISIONS CONTAINED HEREIN COULD LIMIT ANY LEGAL RECOUSE OR REMEDY USAF OTHERWISE MIGHT HAVE. USAF ACKNOWLEDGES THAT IT HAS SOUGHT AND HAS RELIED UPON THE ADVICE OF ITS OWN COUNSEL CONCERNING THIS PROVISION.

[Signature Pages for SAWS and USAF follow]
SAWS SIGNATURE PAGE TO BILL OF SALE

This BILL OF SALE is executed by SAWS this _____________ day of ______, 20__, to be effective on the Effective Date.

CITY OF SAN ANTONIO, by and through its
SAN ANTONIO WATER SYSTEM (SAWS)

By: ________________________________
Name: ______________________________
Title: ______________________________
Agreed to and accepted by the United States of America, acting by and through the Secretary of the Air Force this __________ day of _____, 20__, to be effective on the Effective Date.

THE UNITED STATES OF AMERICA,
acting by and through the Secretary of the Air Force

By: __________________________
_______________________________
Director, Installations Directorate
Air Force Civil Engineer Center
Exhibit A-1

Exhibit I - Bill of Sale
Exhibit A-2

LEGEND
- Sanitary sewer line, lateral line, lift station
- Area Realigned to JBSA
- Installation Boundary

NOTE:
Utilities are for display only. They are approximate and therefore may or may not include all existing lines.

Exhibit I - Bill of Sale
Exhibit B

SAWS SEWER INFRASTRUCTURE SCHEDULE

Exhibit I - Bill of Sale
Exhibit C

EXISTING SEWER MAIN
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: UTILITY SERVICE AGREEMENT FOR WATER AND/OR WASTEWATER SERVICES A TRACT REQUIRING THE SAN ANTONIO WATER SYSTEM FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING AND/OR IMPACT FEE CREDITS AND/OR IS LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Utility Service Agreement (USA) to provide water and/or wastewater services to a specified tract 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 one tract, which totals 222.7 acres; 1,265 water Equivalent Dwelling Units (EDUs); and 1,210 wastewater EDUs.

- Board approval is required since the tract requires 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 Benke 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 1,265 EDUs of water and 1,210 EDUs of wastewater services.

- The Developer is required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.

- The Developer is responsible for the construction and engineering costs associated with all required water and/or wastewater mains to serve the tracts (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>Benke Tract</td>
<td>Talley Extension Revitalization Initiative, LLC</td>
<td>222.7</td>
<td>1,265</td>
<td>1,210</td>
<td>CoSA ETJ</td>
<td>OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
</tbody>
</table>

Total 222.7 1,265 1,210

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

EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:

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

FINANCIAL IMPACT:

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Water Impact Fees</th>
<th>Wastewater Impact Fees</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Benke Tract</td>
<td>$6,208,620.00</td>
<td>$2,570,040.00</td>
<td>$8,778,660.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$6,208,620.00</td>
<td>$2,570,040.00</td>
<td>$8,778,660.00</td>
</tr>
</tbody>
</table>

The System is responsible for providing access to existing general benefit facilities and/or financing the construction of additional general benefit facilities.
Utility Service Agreements to the Specified Tracts Requiring Oversizing
And/or Outside the System’s Water and/or Wastewater CCN

The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations at the Developer’s total cost.

Tracey B. Lehmann, P.E.
Director
Development

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

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments: Table 1, Tract Information
### Table 1
Tract Information

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>JBSA</th>
<th>PZ</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Board Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Benke Tract</td>
<td>Talley Extension Revitalization Initiative, LLC</td>
<td>Gordon Hartman</td>
<td>CoSA ETJ</td>
<td>OUTSIDE</td>
<td>N</td>
<td>1170</td>
<td>222.7</td>
<td>1,265</td>
<td>1,210</td>
<td>Medio Creek</td>
<td>OVR</td>
</tr>
</tbody>
</table>

**Total**  
|        | 222.7 | 1,265 | 1,210 |

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- CZ = Edwards Aquifer Contributing Zone
- CoSA = City of San Antonio limits
- OVR = Oversizing
- WW = Wastewater
- ETJ = Extraterritorial Jurisdiction
- JBSA = Joint Base San Antonio Buffer Zone
- PZ = Pressure Zone
- IFC = Impact Fee Credits
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A UTILITY SERVICE AGREEMENT TO PROVIDE WATER AND/OR WASTEWATER SERVICES TO THE SPECIFIED TRACTS OF LAND REQUIRING THE SAN ANTONIO WATER SYSTEM'S FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH Oversizing 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>Benke Tract</td>
<td>Talley Extension Revitalization Initiative, LLC</td>
<td>222.7</td>
<td>1,265</td>
<td>1,210</td>
<td>CoSA ETJ OUTSIDE</td>
<td>N</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>222.7</td>
<td>1,265</td>
<td>1,210</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Utility Service 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 6th day of August, 2019.

_______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Patricia E. Merritt, Assistant Secretary

Attachments: Project Site Maps
Location Map
Benke Tract
1265 Water EDUs
1210 Sewer EDUs
222.7 Acres
USA15913

Approximately 2,000 LF of Oversized 15" Main

Approximately 29,000 LF of Oversized 36" Main

San Antonio Water System

Legend
- Existing Sewater Main
- USA Tract
- Parcels Update

Proposed Sewer Mains
- Proposed Oversized 15" Main
- Proposed Oversized 36" Main

Project Location

Job No 15-1580
Utility Service Agreements outside of SAWS water or wastewater CCN and/or with oversized infrastructure and/or impact fee credits

<table>
<thead>
<tr>
<th>Board Approved USA</th>
<th>Acreage</th>
<th>Water EDUs</th>
<th>Wastewater EDUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Items Total:</td>
<td>222.7</td>
<td>1,265</td>
<td>1,210</td>
</tr>
<tr>
<td>Year-to-Date Total:</td>
<td>1,331.74</td>
<td>7,695</td>
<td>7,358</td>
</tr>
</tbody>
</table>
AGENDA ITEM NO. __32__

TO: San Antonio Water System Board of Trustees

FROM: Nancy Belinsky, Vice President and General Counsel

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

SUBJECT: APPROVING MEDIATION SETTLEMENT AGREEMENTS WITH ALL PLAINTIFFS AND DEFENDANTS IN CONNECTION WITH THE LITIGATION INVOLVING THE ROAD COLLAPSE AROUND THE 8400 BLOCK OF QUINTANA ROAD IN SOUTHERN BEXAR COUNTY, TEXAS

Board Action Date: August 6, 2019

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Mediation Settlement Agreement with CDM Smith, Inc. and Damien Herrera, P.E.; a Mediation Settlement Agreement with S.J. Louis Construction of Texas Ltd. and S.J. Louis, LLC; and a Mediation Settlement Agreement with Daniel Nishihara, Deborah Danyelle Sanchez, Israel Solis, as Independent Executor of the Estate of Dora Linda Nishihara, Deceased, Claudia Milay Silva and Anthony Villarreal in connection with the lawsuit styled Cause No. 2018CI05898; Daniel Nishihara, Deborah Danyelle Sanchez, Israel Solis as Independent Executor of the Estate of Dora Linda Nishihara, Deceased, Claudia Milay Silva and Anthony Villarreal v. CDM Smith Inc. F/K/A Camp Dresser & McKee Inc., Damien Herrera, P.E., S.J. Louis Construction of Texas Ltd., S.J. Louis, LLC and City of San Antonio, acting by and through its San Antonio Water System Board of Trustees, in the 285th Judicial District Court, Bexar County, Texas.

- The San Antonio Water System (the “System”) constructed a new 96-inch diameter sewer main to replace an existing 54-inch diameter pipe in its W6: Western Watershed Sewer Relief Line-Project 2. That project ended in the 8400 block of Quintana Road and the next phase of construction to replace the existing main began at that location. On December 4, 2016, a road collapse occurred at that location.

- On December 4, 2016, a road collapse occurred in the 8400 block of Quintana Road at a location that is the terminus of the System’s W6: Western Watershed Sewer Relief Line Project 2 and the beginning of the next phase of construction for that sewer main.

- The Estate of Dora Linda Nishihara, her natural children Daniel Nishihara and Deborah Danyelle Sanchez, and Claudia Milay Silva and Anthony Villarreal, as Plaintiffs, filed a lawsuit against CDM Smith, Inc., the engineering firm engaged by the System to design the W6: Western Watershed Sewer Relief Line-Project 2, Damien Herrera, P.E., the engineer who managed the design for CDM Smith, Inc., S.J. Louis Construction of Texas Ltd., the contractor that was engaged by the System to construct the sewer main located at 8400 Quintana Road, S.J. Louis, LLC, an entity related to S.J. Louis Construction of Texas
Ltd., and the System, as Defendants, to recover damages allegedly sustained as a result of the incident.

- The System filed a cross-claim in the lawsuit against CDM Smith, Inc. and made demand upon S.J. Louis Construction of Texas Ltd. to recover damages incurred in responding to the incident and repairing the road collapse.

- To avoid further litigation and expense, the System and the Plaintiffs, Daniel Nishihara, Deborah Danyelle Sanchez, Israel Solis, as Independent Executor of the Estate of Dora Linda Nishihara, Deceased, Claudia Milay Silva and Anthony Villarreal have agreed to compromise and settle the claims made by the Plaintiffs against the System pursuant to the terms of a Mediation Settlement Agreement that is Attachment 1 to the resolution (the “Plaintiffs’ Settlement Agreement”). Pursuant to the terms of the Plaintiff’s Settlement Agreement, the Plaintiffs will dismiss all of their claims in the lawsuit against the System with prejudice and will release the System from all further liability arising out of the incident.

- To avoid further litigation and expense, the System and CDM Smith, Inc. and Damien Herrera, P.E. have agreed to compromise and settle the claims made by the System against CDM Smith, Inc. in the lawsuit pursuant to the terms of the Mediation Settlement Agreement that is attached to the resolution as Attachment 2 (the “CDM Settlement Agreement”). Pursuant to the terms of the CDM Settlement Agreement, CDM Smith, Inc. will pay to the System the sum of $500,000.00 and the System will release CDM Smith, Inc. and Damien Herrera, P.E. from all further liability arising out of the incident.

- To avoid further litigation and expense, the System and S.J. Louis Construction of Texas Ltd., and S.J. Louis, LLC have agreed to compromise and settle the claims made by the System against S.J. Louis Construction of Texas Ltd. pursuant to the terms of the Mediation Settlement Agreement that is attached to the resolution as Attachment 3 (the “SJL Settlement Agreement”). Pursuant to the terms of the SJL Settlement Agreement, S.J. Louis Construction of Texas Ltd. will pay to the System the sum of $500,000.00 and the System will release S.J. Louis Construction of Texas Ltd. and S.J. Louis, LLC from all further liability arising out of the incident.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The System will receive a total payment of $1,000,000.00 for damages incurred that will be deposited in the System Fund. The System will also discharge reserves in the amount of $500,000.00 that were established as potential liability to the Plaintiffs in the Lawsuit, for a total favorable financial impact to the System of $1,500,000.00.
Nancy Belinsky
Vice President and General Counsel

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING MEDIATION SETTLEMENT AGREEMENTS WITH CDM SMITH, INC. AND DAMIEN HERRERA, P.E.; S.J. LOUIS CONSTRUCTION OF TEXAS LTD. AND S.J. LOUIS, LLC; DANIEL NISHIHARA, DEBORAH DANYELLE SANCHEZ, ISRAEL SOLIS, AS INDEPENDENT EXECUTOR OF THE ESTATE OF DORA LINDA NISHIHARA, DECEASED, CLAUDIA MILAY SILVA AND ANTHONY VILLARREAL, ALL IN CONNECTION WITH THE LAWSUIT STYLED CAUSE NO. 2018CI05898; DANIEL NISHIHARA, DEBORAH DANYELLE SANCHEZ, ISRAEL SOLIS, AS INDEPENDENT EXECUTOR OF THE ESTATE OF DORA LINDA NISHIHARA, DECEASED, CLAUDIA MILAY SILVA AND ANTHONY VILLARREAL V. CDM SMITH INC. F/K/A/ CAMP DRESSER & MCKEE INC., DAMIEN HERRERA, P.E., S.J. LOUIS CONSTRUCTION OF TEXAS LTD., S.J. LOUIS, LLC AND CITY OF SAN ANTONIO, ACTING BY AND THROUGH ITS SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, IN THE 285TH JUDICIAL DISTRICT COURT, BEXAR COUNTY, TEXAS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE MEDIATION SETTLEMENT AGREEMENTS AND TO EXECUTE ALL DOCUMENTS AND TAKE ALL ACTIONS NECESSARY TO IMPLEMENT THE MEDIATION SETTLEMENT AGREEMENTS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on December 4, 2016, a road collapse occurred in the 8400 block of Quintana Road at a location that is the terminus of the San Antonio Water System’s (the “System”) W6: Western Watershed Sewer Relief Line Project 2 and the beginning of the next phase of construction for that sewer main; and

WHEREAS, the Estate of Dora Linda Nishihara, her natural children Daniel Nishihara and Deborah Danyelle Sanchez, and Claudia Milay Silva and Anthony Villarreal, as Plaintiffs, filed a lawsuit (the “Lawsuit”) against CDM Smith, Inc., the engineering firm engaged by the System to design the sewer main construction project, Damien Herrera, P.E., the engineer...
who managed the design for CDM Smith, Inc., S.J. Louis Construction of Texas Ltd., the contractor that was engaged by the System to construct the sewer main located at 8400 Quintana Road, S.J. Louis, LLC, an entity related to S.J. Louis Construction of Texas Ltd., and the System, as Defendants, to recover damages allegedly sustained as a result of the incident; and

WHEREAS, the System filed a cross-claim in the lawsuit against CDM Smith, Inc. to recover damages incurred in responding to the incident and repairing the road collapse; and

WHEREAS, the System made demand upon S.J. Louis Construction of Texas Ltd. for recovery of amounts incurred as damages in responding to the incident and repairing the road collapse; and

WHEREAS, Plaintiffs and the System have agreed to compromise and settle the claims made by the Plaintiffs against the System in the Lawsuit pursuant to the terms of a Mediation Settlement Agreement that is attached to this Resolution as Attachment 1 (the “Plaintiffs’ Settlement Agreement”), pursuant to which the Plaintiffs will dismiss all of their claims in the Lawsuit against the System with prejudice and will release the System from all further liability arising out of the incident; and

WHEREAS, CDM Smith, Inc. and Damien Herrera, P.E. and the System have agreed to compromise and settle the claims made by the System against CDM Smith, Inc. in the Lawsuit pursuant to the terms of a Mediation Settlement Agreement that is attached to this Resolution as Attachment 2 (the “CDM Settlement Agreement”), pursuant to which CDM Smith, Inc. will pay to the System the sum of $500,000.00 and the System will release CDM Smith, Inc. and Damien Herrera, P.E. from all further liability arising out of the incident; and

WHEREAS, S.J. Louis Construction of Texas Ltd. and S.J. Louis, LLC and the System have agreed to compromise and settle the claims made by the System against S.J. Louis Construction of Texas Ltd. pursuant to the terms of a Mediation Settlement Agreement that is attached to this Resolution as Attachment 3 (the “SJL Settlement Agreement”), pursuant to which S.J. Louis Construction of Texas Ltd. will pay to the System the sum of $500,000.00 and the System will release S.J. Louis Construction of Texas Ltd. and S.J. Louis, LLC from all further liability arising out of the incident; and

WHEREAS, the San Antonio Water System Water Board of Trustees desires (i) to approve the Plaintiffs’ Settlement Agreement, the CDM Settlement Agreement, and the SJL Settlement Agreement (collectively, the “Mediation Settlement Agreements”), (ii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute all documents and to take all actions necessary to implement the Mediation Settlement Agreements and to perform all obligations of the System provided by the terms of the Mediation Settlement Agreements; now, therefore:

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

1. That the Mediation Settlement Agreements are hereby approved.
2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Mediation Settlement Agreements that are attached to this Resolution as Attachments 1, 2 and 3.

3. That the President/Chief Executive Officer or his duly appointed designee is authorized to execute all documents and to take all actions that are reasonable or necessary to implement the terms of the Mediation Settlement Agreements and to perform the obligations of the System as provided by the terms of the Mediation Settlement Agreements that are attached to this Resolution as Attachments 1, 2 and 3.

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

5. If any section, paragraph, sentence, phrase 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 6th day of August, 2019.

__________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________________
Patricia E. Merritt, Assistant Secretary

Attachments:
1. Mediation Settlement Agreement with Daniel Nishihara, Deborah Danyelle Sanchez, Israel Solis, as Independent Executor of the Estate of Dora Linda Nishihara, Deceased, Claudia Milay Silva and Anthony Villarreal

2. Mediation Settlement Agreement with CDM Smith, Inc. and Damien Herrera, P.E.

3. Mediation Settlement Agreement with S.J. Louis Construction of Texas Ltd. and S.J. Louis, LLC
MEDIATION SETTLEMENT AGREEMENT BETWEEN PLAINTIFFS AND SAWS DEFENDANTS ONLY

The following settlement agreement has been reached by the specific parties listed below in the above-referenced matter:

1. Plaintiffs Israel Solis as Independent Executor of the Estate of Dora Linda Nishihara Deceased, Daniel Nishihara, and Deborah Danyelle Sanchez ("Nishihara Plaintiffs"), Plaintiff Claudia Milay Silva ("Plaintiff Silva"), and Plaintiff Anthony Villarreal ("Plaintiff Villarreal") (collectively the Nishihara Plaintiffs, Plaintiff Silva, and Plaintiff Villarreal will be referred to hereinafter as the "Plaintiffs") and Defendant CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES (SAWS Defendants) acknowledge that bona fide disputes and controversies exist between them, both as to liability and damages, if any, and by reason of such disputes and controversies, they desire to compromise and settle all wrongful death, survival, personal physical injury and physical sickness claims of Plaintiffs that could be asserted against the SAWS Defendants only, as a result of the incidents made the basis of this lawsuit which occurred on or about December 4, 2016 on Quintana Road in San Antonio, Bexar County, Texas. It is understood and agreed that this is a compromise of a disputed claim, and nothing contained herein shall be construed as an admission of liability by any party, all such liability being expressly denied.
2. Each signatory hereto hereby warrants and represents that:

   a. such person has authority to settle for the party or parties for whom such person acts; provided, however, the parties to this Mediation Settlement Agreement and their counsel acknowledge that the SAWS Defendants acceptance of this Mediation Settlement Agreement is subject to approval by the San Antonio Water System Board of Trustees, and

   b. the claims, suits, rights, and/or interests which are the subject matter hereto are owned by the party asserting same, have not been assigned, transferred or sold, and are free of any encumbrance except as to those claims assigned to the Law Firm of Tinsman & Sciano, Inc., Maltos Law Firm/Salinas Law, and Davis Law Firm as a result of the attorney client contract with their respective clients, which interests are being fully compromised, satisfied and extinguished out of the settlement proceeds set out below.

3. Each party to this matter shall bear its own attorneys' fees and other costs.

4. For and in consideration of the execution of a Mediation Settlement Agreement by the SAWS Defendants with S.J. Louis Construction Co. Texas Ltd. and S.J. Louis, LLC (collectively the "S.J. Louis Defendants"), and the execution of a Mediation Settlement Agreement by the SAWS Defendants with CDM Smith Inc. F/K/A Camp Dresser & McKee Inc. and Damien Herrera (collectively the "CDM Smith Defendants") in this lawsuit, Plaintiffs will indemnify and hold the SAWS Defendants harmless for the following:

   1. Any and all legally valid medical liens and subrogation claims that are related to the medical care and medical treatment provided to Plaintiffs as a result of the incident made the basis of this lawsuit, which includes the following:

      a. Legally valid liens held by all medical providers; and

      b. Legally valid liens held by any of Plaintiffs health insurance company(s).

   2. All losses and liabilities, that arise out of claims that arise by, through, or under Plaintiffs' and that could be asserted by Plaintiffs against the SAWS Defendants in this lawsuit. These include claims for subrogation, attorney fees, and unpaid expenses.

5. Further, it is understood that to obtain the benefit of this obligation to indemnify and hold harmless, if the SAWS Defendants are presented with, or notified of a subrogation claim and/or legally valid lien covered by the above sections, said SAWS Defendants must tender defense of that claim to counsel for the respective Plaintiff. The Party seeking to be indemnified shall provide, as is reasonably practical, sufficient opportunity to Plaintiffs' counsel, to resolve and defend the claim before they incur any costs or expenses which could arguably be covered by the obligation to indemnify and hold harmless set out above.
Further, notwithstanding anything herein to the contrary, the obligation to indemnify and hold harmless shall exist only to the extent of the total consideration paid to the individual Plaintiffs. Furthermore, the obligation of Plaintiffs to indemnify and hold harmless does not include any obligation to indemnify and hold harmless with regard to cross claims between any of the Defendants in this matter (including any cross claims between the SAWS Defendants and CDM Defendants) or any subsequent matter arising from the incidents made the basis of this lawsuit, or claims of contribution or indemnity between the Defendants, or claims between Defendants and their respective insurance carriers, if any, or disputes, if any between the insurance carrier(s) or Defendants and their legal counsel.

6. Parties to be released: in exchange for the consideration set out above, Defendant CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES (SAWS Defendants) and their trustees, officers, heirs, assigns and insurers, employees, agents, representatives, owners, shareholders, parent, or subsidiaries, their defense attorneys, their insurance carriers or their respective agents.

7. Party granting the release: Plaintiffs Israel Solis as Independent Executor of the Estate of Dora Linda Nishihara Deceased, Daniel Nishihara, and Deborah Danyelle Sanchez (“Nishihara Plaintiffs”), Plaintiff Claudia Mility Silva (“Plaintiff Silva”), and Plaintiff Anthony Villarreal (“Plaintiff Villarreal”) for any and all claims in the past, present and future arising out of the wrongful untimely and tragic death of Dora Linda Nishihara, Deceased (whether wrongful death or survival action claims) that could be asserted against the SAWS Defendants arising from the incidents made the basis of this lawsuit that occurred on or about December 4, 2016, as well as the personal physical injury or physical sickness claims of Plaintiff Silva and Plaintiff Villarreal that could be asserted against the SAWS Defendants, arising out of the incidents made the basis of this lawsuit that occurred on or about December 4, 2016. This Mediation Settlement Agreement in no way affects, impedes, bars, releases, waives, or relates to Plaintiffs claims against any of the other named Defendant in the matter or any entity or person that Plaintiffs claim caused or contributed to cause the incidents made the basis of this lawsuit that occurred on or about December 4, 2016. This Mediation Settlement Agreement is not intended, nor shall it be construed in any way to affect Plaintiffs’ right and ability to continue to pursue their claims and causes of action against any of the other named Defendants not herein expressly released in this matter or any other entity or person that Plaintiffs’ contend caused or contributed to cause the incidents made the basis of this lawsuit. This Mediation Settlement Agreement is related SOLELY to claims of Plaintiffs that were asserted or could have been asserted against the SAWS Defendants arising from the incidents made the basis of this lawsuit.

8. All of Plaintiffs’ claims arising from the incidents made the basis of this lawsuit that were asserted or could be asserted against the SAWS Defendants only, shall be dismissed with prejudice against the SAWS Defendants within 30 days after the date on which the San Antonio Water System Board of Trustees passes and approves a resolution that authorizes the execution of the Mediation Settlement Agreements between the SAWS Defendants and the CDM Smith Defendants and the S.J. Louis Defendants. However, no dismissal with prejudice of Plaintiffs’ claims against the SAWS Defendants arising from the incidents
made the basis of this lawsuit shall be filed until after counsel for Plaintiffs actually receives the settlement funds being paid by Defendants CDM Smith Inc., Damien Herrera, S.J. Louis Construction of Texas, Ltd., and S.J. Louis, LLC and/or their insurance carriers pursuant to separate written agreements to which the SAWS Defendants are not parties.

9. The parties to this Mediation Settlement Agreement and their counsel agree to cooperate with each other in the drafting and execution of such additional documents as are reasonably requested or required to implement the provisions and spirit of this Mediation Settlement Agreement, but notwithstanding such additional documents the parties confirm that this is a written settlement agreement as contemplated by Section 154.071 of the Texas Civil Practice and Remedies Code between the Plaintiffs and the SAWS Defendants only.

10. The parties to this Mediation Settlement Agreement hereby acknowledge that the SAWS Defendants are subject to the provisions of the Texas Public Information Act, Tex. Gov't Code §552.001 et. seq. The terms of this Mediation Settlement Agreement are not confidential and may be disclosed by the SAWS Defendants pursuant to:

   a. The rules of discovery of any State including responses to Requests for Disclosure;
   b. A proper legally valid subpoena;
   c. A legally valid order of any Court;
   d. A request for public information.

11. This Mediation Settlement Agreement is made and performable in Bexar County, Texas, and shall be construed in accordance with the laws of the State of Texas.

12. The parties hereto and their counsel have thoroughly reviewed this Mediation Settlement Agreement and have, where necessary, modified it to conform to the requirements of their agreement. All signatories to this Mediation Settlement Agreement hereby release the mediator from any and all responsibility arising from the drafting of this Mediation Settlement Agreement, and by signing this Mediation Settlement Agreement acknowledge that they, or their attorneys, have been advised by the mediator in writing that this Mediation Settlement Agreement should be independently reviewed by counsel before executing the Agreement.

13. All signatories to this Mediation Settlement Agreement further acknowledge that they sign and agree to the terms on their own free will and with the advice of their counsel. The signatories acknowledge and agree that neither the mediator nor members of an opposing party have forced the signing of or agreement to this Mediation Settlement Agreement.

14. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

SIGNED and AGREED to this ____ day of July, 2019.

SIGNATURES ON PAGES 5 OF 6 AND 6 OF 6
Plaintiff Israel Solis as Independent Executor of the Estate of Dora Linda Nishihara, Deceased

Plaintiff Deborah Danyelle Sanchez

Plaintiff Daniel Nishihara

DANIEL J. T. SCIANO
AARON L. VALADEZ
TINSMAN & SCIANO, INC.
1017 McAllister Freeway
San Antonio, Texas 78216
Telephone: (210) 225-3121
Facsimile: (210) 225-6235

ATTORNEYS FOR PLAINTIFFS DANIEL NISHIHARA, DEBORAH DANYELLE SANCHEZ, AND ISREAL SOLIS AS INDEPENDENT EXECUTOR OF THE ESTATE OF DORA LINDA NISHIHARA, DECEASED

Plaintiff Claudia Milay Silva

MANUEL C. MALTOS
Maltos Law Firm, PLLC
8600 Wurzbach Road, Suite 702
San Antonio, Texas 78240
ATTORNEYS FOR PLAINTIFF CLAUDIA MILAY SILVA, ONLY
CAUSE NO. 2018CI05898

DANIEL NISHIHARA, DEBORAH
DANYELLE SANCHEZ, ISRAEL
SOLIS AS INDEPENDENT EXECUTOR
OF THE ESTATE OF DORA LINDA
NISHIHARA, DECEASED,
CLAUDIA MILAY SILVA, and
ANTHONY VILLARREAL
Plaintiffs,

vs.

CDM SMITH INC. F/K/A CAMP
DRESSER & MCKEE INC., DAMIEN
HERRERA, P.E., S. J. LOUIS
CONSTRUCTION OF TEXAS LTD.,
S.J. LOUIS, LLC, and CITY OF SAN
ANTONIO, acting by and through
its SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
Defendants.

IN THE DISTRICT COURT
285th JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

MEDIATION SETTLEMENT AGREEMENT BETWEEN CDM DEFENDANTS, AND
SAWS DEFENDANTS, ONLY

The following settlement agreement has been reached by the specific parties listed below in the above-referenced matter:

1. Defendant CDM Smith Inc. and Defendant Damien Herrera, P.E. (jointly referred to as the “CDM Defendants”), and Defendant CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES (SAWS Defendants) acknowledge that bona fide disputes and controversies exist between them, both as to liability and damages, if any, and by reason of such disputes and controversies, they desire to compromise and settle all claims that were asserted or could be asserted by the CDM Defendants against the SAWS Defendants and by the SAWS Defendants against the CDM Defendants only, that arise out of the facts, circumstances or incidents made the basis of this lawsuit which occurred on or about December 4, 2016 on Quintana Road in San Antonio, Bexar County, Texas. It is understood and agreed that this is a compromise of a disputed claim, and nothing contained herein shall be construed as an admission of liability by any party, all such liability being expressly denied.

2. This Mediation Settlement Agreement shall compromise and settle all cross claims and affirmative claims that have been or could have been asserted by or between the CDM Defendants and SAWS Defendants that arise out of the December 4, 2016 incidents described above including any and all claims for negligence, gross negligence, breach of
contract, for the construction of the emergency by-pass system, site stabilization, and emergency sink hole repair, remediation costs, claims for contribution, or indemnity, or costs or attorney’s fees.

3. Each signatory hereto hereby warrants and represents that:

   a. such person has authority to settle for the party or parties for whom such person acts; provided, however, the parties to this Mediation Settlement Agreement and their counsel acknowledge that the SAWS Defendants’ acceptance of this Mediation Settlement Agreement is subject to approval by the San Antonio Water System Board of Trustees, and
   
   b. the claims, suits, rights, and/or interests which are the subject matter hereto are owned by the party asserting same, have not been assigned, transferred or sold, and are free of any encumbrance.

4. Total amounts to be paid to the SAWS Defendants by or on behalf of the CDM Defendants, or their insurance carriers: Five Hundred Thousand Dollars ($500,000.00) in present cash payments.

5. Each party to this matter shall bear its own attorneys’ fees and other costs.

6. Parties to be released: in exchange for the consideration set out above, Defendants CDM Smith Inc. and Damien Herrera, P.E. (“CDM Defendants”) and CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES (SAWS Defendants) and their trustees, officers, heirs, assigns and insurers, employees, former employees, agents, representatives, owners, shareholders, parent, or subsidiaries, their defense attorneys, their insurance carriers or their respective agents.

7. All of the SAWS Defendants’ claims arising from the incidents made the basis of this lawsuit that were asserted or could be asserted by the SAWS Defendants against the CDM Defendants only shall be dismissed with prejudice against the CDM Defendants after the consideration herein expressed has been paid to and received by counsel for the SAWS Defendants.

8. Counsel for the CDM Defendants shall deliver settlement check(s) in trust and drafts of releases and any further documents to be executed in connection with this settlement to counsel for the SAWS Defendants within thirty (30) days after the date on which the San Antonio Water System Board of Trustees passes and approves a resolution authorizing the execution of this Mediation Settlement Agreement. All sums paid to SAWS Defendants in present cash payments shall be made payable to “Davis, Cedillo & Mendoza, Inc. as Trustee” and delivered to 755 E. Mulberry, Suite 500, San Antonio, TX 78212. Counsel for the SAWS Defendants will within 7 days after the execution of this Mediation Settlement Agreement by all parties hereto, forward to counsel for the CDM Defendants a W-9.

9. The parties to this Mediation Settlement Agreement and their counsel agree to cooperate with each other in the drafting and execution of such additional documents as are
reasonably requested or required to implement the provisions of this Mediation Settlement Agreement, including language to confirm that neither Damien Herrera, P.E., the Key Personnel for the CDM Defendants nor the Key SAWS Personnel shall make any official statement to the media with the intent to disparage the other with respect to the facts and circumstances giving rise to this lawsuit, but notwithstanding such additional documents the parties confirm that this is a written settlement agreement as contemplated by Section 154.071 of the Texas Civil Practice and Remedies Code between the CDM Defendants and SAWS Defendants only. As used in this Agreement, the “Key Personnel for the CDM Defendants” shall mean CDM’s current corporate officers and directors and the “Key SAWS Personnel” shall mean SAWS’ current corporate officers and trustees, while in their official capacity. Any such prohibition on statements shall not be construed to prohibit any person from responding publicly to incorrect public statements, or from making truthful statements at any time or when required by law, subpoena, or court order.

10. The parties to this Mediation Settlement Agreement hereby acknowledge that the SAWS Defendants are subject to the provisions of the Texas Public Information Act, Tex. Gov’t Code §552.001 et. seq. The terms of this Mediation Settlement Agreement are not confidential and may be disclosed by the SAWS Defendants pursuant to:
   a. The rules of discovery of any State including responses to Requests for Disclosure;
   b. A proper legally valid subpoena;
   c. A legally valid order of any Court; or
   d. A request for public information.

11. The parties to this Mediation Settlement Agreement and their counsel further agree and acknowledge that the SAWS Defendants’ acceptance of this Mediation Settlement Agreement is subject to approval by and will become effective only upon approval by the San Antonio Water System Board of Trustees.

12. This Mediation Settlement Agreement is made and performable in Bexar County, Texas, and shall be construed in accordance with the laws of the State of Texas.

13. The parties hereto and their counsel have thoroughly reviewed this Mediation Settlement Agreement and have, where necessary, modified it to conform to the requirements of their agreement. All signatories to this Mediation Settlement Agreement hereby release the mediator from any and all responsibility arising from the drafting of this Mediation Settlement Agreement, and by signing this Mediation Settlement Agreement acknowledge that they, or their attorneys, have been advised by the mediator in writing that this Mediation Settlement Agreement should be independently reviewed by counsel before executing the Agreement.

14. All signatories to this Mediation Settlement Agreement further acknowledge that they sign and agree to the terms on their own free will and with the advice of their counsel. The signatories acknowledge and agree that neither the mediator nor members of an opposing party have forced the signing of or agreement to this Mediation Settlement Agreement.
15. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

SIGNED and AGREED to this ____ day of July 2019.

SIGNATURES ON PAGES 4 OF 5 AND 5 OF 5

Representative of DEFENDANTS, CDM SMITH INC. F/K/A CAMP DRESSER & MCKEE INC. AND DAMIEN HERRERA, P.E.

MR. RICHARD ESPEY
MR. JON DARNELL
Espey & Associates, PC
12400 San Pedro Avenue, Ste. 200
San Antonio, Texas 78216
Telephone: (210) 404-0333
Facsimile: (210) 404-0336

ATTORNEYS FOR DEFENDANTS, CDM SMITH INC. F/K/A CAMP DRESSER & MCKEE INC. AND DAMIEN HERRERA, P.E.
Representative of DEFENDANT, CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

Ron Mendoza
Ricardo Cedillo
Brian Lewis
Davis, Cedillo & Mendoza
McCombs Plaza
755 E Mulberry Ave., Ste. 500
San Antonio, TX 78212
ATTORNEYS FOR DEFENDANT, CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

Approved Pursuant to Resolution No. __________
Passed and Approved by the San Antonio Water System Board of Trustees on __________________, 2019.

By: ____________________________________________
Robert R. Puente, President/CEO
MEDIATION SETTLEMENT AGREEMENT BETWEEN SJL DEFENDANTS AND SAWS DEFENDANTS, ONLY

The following settlement agreement has been reached by the specific parties listed below in the above-referenced matter:

1. Defendant S.J. Louis Construction of Texas, Ltd. and Defendant S.J. Louis, LLC (jointly referred to as the “SJL Defendants”), and Defendant City of San Antonio, acting by and through its San Antonio Water System Board of Trustees (SAWS Defendants) acknowledge that bona fide disputes and controversies exist between them, both as to liability and damages, if any, and by reason of such disputes and controversies, they desire to compromise and settle all claims that could be asserted against the SJL Defendants by the SAWS Defendants and by the SJL Defendants against the SAWS Defendants only, that arise out of the incidents made the basis of this lawsuit which occurred on or about December 4, 2016 on Quintana Road in San Antonio, Bexar County, Texas. It is understood and agreed that this is a compromise of disputed claims, and nothing contained herein shall be construed as an admission of liability by any party, all such liability being expressly denied.

2. This Mediation Settlement Agreement shall compromise and settle all cross claims and affirmative claims that have been or could have been asserted by or between the SJL Defendants and SAWS Defendants that arise out of the December 4, 2016 incident described above, including any and all claims, including breach of warranty, for the
construction of the emergency by-pass system, site stabilization, emergency sink hole repair, remediation costs, claims for contribution, indemnity, costs or attorney's fees.

3. Each signatory hereto hereby warrants and represents that:

   a. such person has authority to settle for the party or parties for whom such person acts; provided, however, the parties to this Mediation Settlement Agreement and their counsel acknowledge that the SAWS Defendants’ acceptance of this Mediation Settlement Agreement is subject to approval by the San Antonio Water System Board of Trustees, and

   b. the claims, suits, rights, and/or interests which are the subject matter hereto are owned by the party asserting same, have not been assigned, transferred or sold, and are free of any encumbrance.

4. Total amounts to be paid to the **SAWS Defendants** by or on behalf of the **SJL Defendants**, or their insurance carriers: Five Hundred Thousand Dollars ($500,000.00) in present cash payments

5. Each party to this matter shall bear its own attorneys' fees and other costs.

6. Parties to be released: in exchange for the consideration set out above, Defendant S.J. Louis Construction of Texas, Ltd. and Defendant S.J. Louis, LLC (SJL Defendants), on the one hand, and City of San Antonio, acting by and through its San Antonio Water System Board Of Trustees (SAWS Defendants), on the other hand, and their respective trustees, officers, heirs, assigns and insurers, employees, agents, representatives, owners, shareholders, parent, or subsidiaries, their respective defense attorneys, their respective insurance carriers and/or their respective agents.

7. This Mediation Settlement Agreement in no way affects, impedes, bars, releases, waives, or relates to SAWS Defendants' claims against any of the other named Defendants in this matter or any entity or person that SAWS Defendants claim caused or contributed to cause the incidents. This Mediation Settlement Agreement is not intended, nor shall it be construed in any way, to affect SAWS Defendants' right and ability to continue to pursue their claims and causes of actions against any of the other named Defendants not herein expressly released, or any other entity or person that SAWS Defendants contend caused or contributed to cause the incidents made the basis of this lawsuit. This Mediation Settlement Agreement is related SOLELY to claims that were asserted or could have been asserted by and between the SJL Defendants and SAWS Defendants arising from the incidents made the basis of this lawsuit.

8. All of the SAWS Defendants claims and the SJL Defendants’ claims arising from the incidents made the basis of this lawsuit that were asserted or could be asserted between each other shall be dismissed with prejudice after the consideration herein expressed has been paid and received by counsel for the SAWS Defendants.
9. Counsel for the SJL Defendants shall deliver settlement check(s) in trust and drafts of releases and any further documents to be executed in connection with this settlement to counsel for the SAWS Defendants within thirty (30) days after the date on which the San Antonio Water System Board of Trustees passes and approves a resolution authorizing the execution of this Mediation Settlement Agreement. All sums paid to SAWS Defendants in present cash payments shall be made payable to “Davis, Cedillo & Mendoza, Inc. as Trustee” and delivered to 755 E. Mulberry, Suite 500, San Antonio, TX 78212. Counsel for the SAWS Defendants will promptly, after the execution of this Mediation Settlement Agreement by all parties hereto, forward to counsel for the SJL Defendants a W-9.

10. The parties to this Mediation Settlement Agreement and their counsel agree to cooperate with each other in the drafting and execution of such additional documents as are reasonably requested or required to implement the provisions and spirit of this Mediation Settlement Agreement, but notwithstanding such additional documents the parties confirm that this is a written settlement agreement as contemplated by Section 154.071 of the Texas Civil Practice and Remedies Code between the SJL Defendants and SAWS Defendants only.

11. The parties to this Mediation Settlement Agreement hereby acknowledge that the SAWS Defendants are subject to the provisions of the Texas Public Information Act, Tex. Gov’t Code §552.001 et. seq. The terms of this Mediation Settlement Agreement are not confidential and may be disclosed by the SAWS Defendants pursuant to:

a. The rules of discovery of any State including responses to Requests for Disclosure;
b. A proper legally valid subpoena;
c. A legally valid order of any Court; or
d. A request for public information.

12. This Mediation Settlement Agreement is made and performable in Bexar County, Texas, and shall be construed in accordance with the laws of the State of Texas.

13. The parties to this Mediation Settlement Agreement and their counsel further agree and acknowledge that the SAWS Defendants’ acceptance of this Mediation Settlement Agreement is subject to approval by and will become effective only upon approval by the San Antonio Water System Board of Trustees.

14. The parties hereto and their counsel have thoroughly reviewed this Mediation Settlement Agreement and have, where necessary, modified it to conform to the requirements of their agreement. All signatories to this Mediation Settlement Agreement hereby release the mediator from any and all responsibility arising from the drafting of this Mediation Settlement Agreement, and by signing this Mediation Settlement Agreement acknowledge that they, or their attorneys, have been advised by the mediator in writing that this Mediation Settlement Agreement should be independently reviewed by counsel before executing the Agreement.
15. All signatories to this Mediation Settlement Agreement further acknowledge that they sign and agree to the terms on their own free will and with the advice of their counsel. The signatories acknowledge and agree that neither the mediator, nor members of an opposing party have forced the signing of or agreement to this Mediation Settlement Agreement.

16. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

SIGNED and AGREED to this ____ day of July 2019.

SIGNATURES ON PAGES 5 of 5
Representative of DEFENDANTS, S.J. LOUIS CONSTRUCTION OF TEXAS LTD. AND S.J. LOUIS, LLC.

JOHN A. GUERRA
A.J. DIMALINE, IV
JAMES RAMSEY
Brock Guerra Strandmo Dimaline Jones, P.C.
17339 Redland Road
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ATTORNEYS FOR DEFENDANTS, S.J. LOUIS CONSTRUCTION OF TEXAS LTD. AND S.J. LOUIS, LLC.

Representative of DEFENDANT, CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

RON MENDOZA
RICARDO CEDILLO
BRIAN LEWIS
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McCombs Plaza
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San Antonio, TX 78212
ATTORNEYS FOR DEFENDANT, CITY OF SAN ANTONIO, acting by and through its SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

Approved Pursuant to Resolution No. ________________
Passed and Approved by the San Antonio Water System Board of Trustees on __________________________ 2019

By: ____________________________
    Robert R. Puente, President/CEO