

# AGENDA

**MEETING OF THE  
SAN ANTONIO WATER SYSTEM  
BOARD OF TRUSTEES  
Tuesday, February 10, 2009, 9:00 A.M.  
6th Floor Board Room #609  
Administrative Offices  
2800 U. S. 281 North  
San Antonio, Texas**

- 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 Meeting of January 6, 2009.**
  - B. Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting/ Public Hearing of December 8, 2008.**
  - C. Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting/Legislative Luncheon of January 7, 2009.**
- 4. Briefing Session.**
  - A. Briefing and deliberation regarding the San Antonio River Siphon Emergency By-Pass. (VAL RUIZ)**
  - B. Briefing and deliberation regarding the 2008 accomplishments of the Community Conservation Committee. (IAN WELLBORN, CCC CHAIRMAN)**
- 5. Ceremonial Items.**
  - A. Recognition of the contributions made to the citizens of San Antonio by the departing members of the Community Conservation Committee and Citizen's Advisory Panel. (KELLEY NEUMANN – KAREN GUZ - CALVIN FINCH)**
- 6. Citizens to be Heard.**

**SAN ANTONIO WATER SYSTEM  
HANDICAPPED ACCESSIBILITY STATEMENT**

The San Antonio Water System building and meeting rooms are handicapped accessible. Individuals with disabilities that may require special accommodations are requested to contact the Board Administrator at 210.233.3859 for assistance.

7. **Board of Trustees - Committee Reports. Presentation of and deliberation on the following Committee Reports:**
  - A. **Audit and Finance Committee.**
    1. **2008 Strategic Audit Plan, 2009 Annual Internal Audit Plan**
    2. **Audit of Customer Deposits, Travel Expenses, and Contract Change Orders**
    3. **Internal Audit Initiatives**
    4. **2008 External Audit**
    5. **2008-2009 Debt Transactions**
    6. **Preliminary Year End 2008 Financial Results**
    7. **Rate Advisory Committee Membership**
  - B. **Planning and Operations Committee.**
    1. **4<sup>th</sup> Quarter Small, Minority, and Women Owned Business Program Results**
    2. **Water Recycling Centers Master Plan Update**
    3. **Small Line Cleaning Annual Contract.**
    4. **San Antonio River Siphon Emergency By-Pass**
  - C. **Water Resources Committee.**
    1. **SAWS' State Legislative Agenda**
    2. **Water Related Bills filed at the State Legislature**
    3. **Federal Stimulus**
    4. **SAWS' Congressional Agenda**
    5. **Regional Carrizo Aquifer Program**
    6. **Amendment to SAWS-USGS Joint Funding Agreement**
    7. **Commercial Large Scale Retrofit Program**

## **CONSENT AGENDA ITEMS**

Items 8– 25

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

8. **A Resolution accepting recommendations regarding the contracting for certain services, equipment, materials, and supplies, and authorizing the acceptance of bids as follows: (DOUG EVANSON - VICK GARMON)**
  - A. **Award of Contracts for the Purchase of Materials, Equipment and Services.**

**No items for this Meeting.**
  - B. **Award of Annual Service and Supply Contracts. Estimated annual purchases are based on unit prices bid. Actual totals may vary from estimate.**
    1. **Acceptance of the bid of San Antonio Armature Works to provide: Electric Motor Repair Small Motors (3-250) and Large Motors (300 HP and Greater), Bid No. 08-8073, for a total of \$495,092.00. (This contract will be utilized for the repair of single and three phase AC electric motors; Small Motors (3-250) and Large Motors (300 HP and Greater). Work includes rewinding, reconditioning, machine work, tear down,**

inspection and repair. This contract will be effective Date of Award (February 3, 2009) through December 31, 2009.)

- (WBE) 2. Acceptance of the bid of You Name It Specialties, Inc., to provide: “Best Value” Bid for Novelty Type Items, Promotional Clothing Items and Quality Customer Service, Bid No. 08-0403, for a total of \$50,000.00. (This contract will be utilized to provide various types of Novelty and or Promotional Clothing Items, Silk Screen Printing, Embroidery Printing and Quality Customer Service for SAWS’ Internal Departments. This contract extension will be effective Date of Award (January 6, 2009) through December 31, 2009.)

- C. Authorization to Utilize the City of San Antonio’s Competitive Bidding Process for Annual Contracts. Estimated annual purchases are based on unit prices bid. Actual totals may vary from estimate.

No items for this Meeting.

- D. Authorization to Utilize the City of San Antonio’s Competitive Bidding Process for Biennial Contracts. Estimated annual purchases are based on unit prices bid. Actual totals may vary from estimate.

No items for this Meeting.

- E. Award of Biennial Service and Supply Contracts. Estimated annual purchases are based on unit prices bid. Actual totals may vary from estimate.

No items for this Meeting.

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

**Developer Customer Contracts**

9. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below which are located over the Edwards Aquifer Recharge or Contributing Zone and within the 5-mile Awareness Zone of Camp Bullis. (KELLEY NEUMANN – SAM MILLS)

No.	Tract Name	Developer Name	Acreage	Water EDUs	WW EDUs	Board Reason	Water CCN	WW CCN
1	Alamo Team Development Subdivision	Alamo Team Properties, LLC.	3.51	30	30	EARZ	Inside	Applied for
2	Boerne Stage Crossing	Boerne Stage Crossing Limited Partnership	38.40	264	140	EARZ	Inside	Applied for
3	Cielo Vista Bend	Cielo Vista Partners, Ltd.	5.9	80	78	EARZ	Inside	Applied for

4	Front Gate at Fair Oaks Ranch (Revised)	Pfeiffer Land Investments, Ltd.	183.20	455	450	AC/OVR/EARZ	Applied for/ Served by Agreement with Fair Oaks Ranch	Applied for/ Served by Agreement with Fair Oaks Ranch
Totals			<u>231</u>	<u>829</u>	<u>698</u>			
Year-to-Date Totals ( February 2009)			<u>245</u>	<u>856</u>	<u>777</u>			

#### Professional Services

10. A Resolution accepting the proposal of Freese and Nichols, Inc., in an amount not to exceed \$306,000.00 for professional services for the 2008 Comprehensive Wastewater Infrastructure Plan; awarding a contract to Freese and Nichols, Inc., in an amount not to exceed \$306,000.00 for the 2008 Comprehensive Wastewater Infrastructure Plan; authorizing expenditures in an amount not to exceed \$306,000.00 from the Project Fund for the professional services in connection with the project work; authorizing the President/Chief Executive Officer to execute the professional services contract with Freese and Nichols, Inc., and to pay Freese and Nichols, Inc., an amount not to exceed \$306,000.00 for the professional services. Total expenditures are: \$306,000.00. (KELLEY NEUMANN – SAM MILLS)
11. A Resolution accepting the proposal of Carollo Engineers in an amount not to exceed \$944,789.00 for the design of the Dos Rios Water Recycling Center Digester Rehabilitation Project- Phase I; awarding a professional services contract to Carollo Engineers in an amount not to exceed \$944,789.00 for engineering services in connection with this project; authorizing the expenditure of funds in an amount not to exceed \$944,789.00 from the System’s Project Fund for the engineering services in connection with this project; authorizing the President/Chief Executive Officer to execute a professional services contract with Carollo Engineers and to pay Carollo Engineers an amount not to exceed \$944,789.00 for engineering services in connection with this project. Total expenditures are: \$944,789.00. (KELLEY NEUMANN –ASHOK KAJI)

#### Production, Transmission and Treatment Improvements

12. A Resolution ratifying the actions of the Senior Vice-President of Strategic Resources in approving Change Order No. 14 in the increased amount of \$86,860.00 in connection with the Medio Creek Water Recycling Center (WRC) Expansion Project; approving total payment in the amount of \$86,860.00 to Pepper-Lawson Construction, L.P., for the additional project work associated with Change Order No. 14; authorizing the additional expenditure of funds in the amount not to exceed \$86,860.00 for Change Order No. 14 from the project construction contingency fund; authorizing the President/Chief Executive Officer to execute Change Order No. 14, and to pay Pepper-Lawson Construction, L.P., the additional sum of \$86,860.00 from the project construction contingency fund for the additional project work associated with Change Order No. 14. Total expenditures are: \$86,860.00. (KELLEY NEUMANN –ASHOK KAJI)

13. **A Resolution approving Change Order No. 5 in the decreased amount of \$133,784.00 to the construction contract with Hunter Demolition & Wrecking Corp., in connection with the Salado Creek Water Recycling Center Decommissioning Project; amending Resolution No. 07-069 by eliminating a portion of the project's scope of work and decreasing the authorization of the construction contract with Hunter Demolition & Wrecking Corp., by the amount of \$133,784.00 through Change Order No. 5; returning the amount of \$133,784.00 through Change Order No. 5 to the System's Project Fund; authorizing the President/Chief Executive Officer to execute Change Order No. 5, and to decrease the payment amount to Hunter Demolition & Wrecking Corp., by \$133,784.00. Total decreased amount is: \$133,784.00 for a revised contract amount of \$3,780,573.00. (KELLEY NEUMANN –ASHOK KAJI)**
14. **A Resolution ratifying the actions of the Senior Vice President of Strategic Resources in approving Change Order No. 1 in the amount of \$130,725.00 in connection with the Eastern Watershed Sewer Relief Line E-03 Project; authorizing the President/Chief Executive Officer to pay to S.J. Louis Construction of Texas, Ltd., an additional amount not to exceed \$130,725.00 for the additional project work. Total expenditures are: \$130,725.00 for a revised contract amount of \$24,228,135.24. (KELLEY NEUMANN –FRANCES PLOCEK)**

## **REPLACEMENT AND ADJUSTMENT PROJECTS**

### **Governmental Relocations and Replacements**

15. **A Resolution amending Resolution No. 08-091, as previously amended by Resolution No. 08-243 and Resolution No. 09-009, by approving the expenditure of additional funds in an amount not to exceed \$54,739.86 payable to Bexar County for additional construction contingency expenses in connection with the F.M. 3487 (Culebra Road): Loop 410 to F.M. 471 (Grissom) Road Project; approving an additional amount not to exceed \$54,739.86 be made available and expended from the System's Project Fund for additional construction contingency expenses; ratifying the actions of the Senior Vice President of Strategic Resources in approving Change Order No. 3 in the amount of \$54,739.86; authorizing the President/Chief Executive Officer to pay to Bexar County an additional amount not to exceed \$54,739.86 for the additional project work and additional construction contingency expenses. Located in Council District 6. Total expenditures are: \$54,739.86 for a revised contract amount of \$3,231,129.35. (KELLEY NEUMANN – CINDY KOVACIC)**

## **WATER RESOURCES PROJECTS**

### **Professional Services**

16. **A Resolution authorizing the President/Chief Executive Officer or his designee to negotiate and execute an Amendment to the Joint Funding Agreement between the San Antonio Water System and the United States Geological Survey for the period of February 3, 2009 to September 30, 2009, in an amount not to exceed \$350,000.00, resulting in a total amount not to exceed \$942,900.00 for the 2008-2009 Joint Funding Agreement; authorizing the expenditure of funds for Fiscal Year 2009 from the System Fund to pay for obligations incurred pursuant to the Amendment to the Joint Funding Agreement; authorizing the President/Chief Executive Officer or his designee to negotiate and execute the Amendment to the Joint Funding Agreement with the United States Geological Survey and to pay an amount not to exceed \$350,000.00 to the United States Geological Survey pursuant to the Amendment to the Joint Funding Agreement. Total expenditures are: \$350,000.00 for a revised contract amount of \$942,900.00. (KELLEY NEUMANN – CHARLES AHRENS)**

## MISCELLANEOUS PROJECTS

17. **A Resolution approving Recapitulation Change Order No. 2 in the decreased amount of \$81,280.00 to the construction contract with N.G. Painting, Inc., in connection with the 2007 Water Production Facility Painting and Rehabilitation Project-Package I; returning the amount of \$81,280.00 and the construction contingency balance of \$8,000.00 for a total amount of \$89,280.00 to the System's Project Fund; authorizing the President/Chief Executive Officer to execute Recapitulation Change Order No. 2 and close the contract with N.G. Painting, Inc. Total decreased amount is: \$81,280.00 for a total returned amount of \$89,280.00 and a revised contract amount of \$1,080,020.00. (KELLEY NEUMANN –ASHOK KAJI)**
18. **A Resolution approving Recapitulation Change Order No. 7 in the decreased amount of \$46,467.60 to the construction contract with Greystar EIG, in connection with the Water Production Facilities Upgrades Package One Project; returning the amount of \$46,467.60 and the contraction contingency balance of \$18,103.34 to the System's Project Fund; authorizing the President/Chief Executive Officer to execute Recapitulation Change Order No. 7 and to close the contract with Greystar EIG. Total decreased amount is: \$46,467.60 for a total returned amount of \$64,570.94 and a revised contract amount of \$5,027,429.06. (KELLEY NEUMANN –ASHOK KAJI)**
19. **A Resolution accepting the Best Value Bid of Ace Pipe Cleaning, Inc., to provide sanitary sewer line cleaning services in the amount of \$770,281.25 for the Annual Small Diameter Sanitary Sewer Cleaning Project; awarding a contract with an option for a one-year extension to Ace Pipe Cleaning, Inc., in the amount of \$770,281.25 for the project work; approving the expenditure of funds in the amount of \$770,281.25 for sanitary sewer line cleaning services from the System Fund for the project work; approving Change Order No. 1 in an amount not to exceed \$192,570.00 in connection with the project work; approving a total amount not to exceed \$962,851.25 to be made available and expended from the System Fund in Fiscal Year 2009 for the project work and related contingency expenses and that expenditures in future years shall be authorized to be made pursuant to and contingent upon the appropriations made in the annual budgets approved by the Board of Trustees with a line item for such expenditures; authorizing the President/Chief Executive Officer or his duly appointed designee to execute a service contract with an option for a one-year extension with Ace Pipe Cleaning, Inc., and to pay Ace Pipe Cleaning, Inc., an amount not to exceed \$962,851.25 for sanitary sewer line cleaning services for the project work and related contingency expenses. Total expenditures are: \$962,851.25. (VAL RUIZ – JEFF BROWN)**

## EASEMENTS AND REAL ESTATE

### Water Resources Items

20. **A Resolution approving a Water Sales Agreement between the San Antonio Water System and Gerald and Christine Mindieta, providing for the sale of water rights from the Carrizo Aquifer and the Wilcox Aquifer out of 100.20 surface acres from Gonzales County for the Gonzales Water Supply Project at a cost of \$62.50 per acre-foot plus an escalator comprised of the average of the Producer Price Index and the Consumer Price Index from the previous year as well as a right-of-first refusal for the purchase of 100.20 surface acres; approving the expenditure of funds for the San Antonio Water System's obligation under the Water Sales Agreement from the Water Supply Fee Revenues of the Project Fund; approving the payment of \$100.00 initial consideration payment, \$10,020.00 bonus payment to Gerald and Christine Mindieta,**

and \$3,500.00 in estimated closing costs; authorizing the President/Chief Executive Officer or his designee to execute the Water Sales Agreement with Gerald and Christine Mindieta, and to pay the required amounts in succeeding years in accordance with the terms of the Water Sales Agreement for the duration of the Water Sales Agreement and take such steps necessary to implement the Water Sales Agreement. Total expenditures are: \$100.00 initial consideration payment, \$10,020.00 bonus payment and \$3,500.00 in estimated closing costs.

(KELLEY NEUMANN – CALVIN FINCH)

21. A Resolution approving a Water Sales Agreement between the San Antonio Water System and Rigoberto Morataya, providing for the sale of water rights from the Carrizo Aquifer and the Wilcox Aquifer out of 171.765 surface acres from Gonzales County for the Gonzales Water Supply Project at a cost of \$62.50 per acre-foot plus an escalator comprised of the average of the Producer Price Index and the Consumer Price Index from the previous year as well as a right-of-first refusal for the purchase of 171.765 surface acres; approving the expenditure of funds for the San Antonio Water System's obligation under the Water Sales Agreement from the Water Supply Fee Revenues of the Project Fund; approving the payment of \$100.00 initial consideration payment, \$17,176.50 bonus payment to Rigoberto Morataya, and \$3,500.00 in estimated closing costs; authorizing the President/Chief Executive Officer or his designee to execute the Water Sales Agreement with Rigoberto Morataya, and to pay the required amounts in succeeding years in accordance with the terms of the Water Sales Agreement for the duration of the Water Sales Agreement and take such steps necessary to implement the Water Sales Agreement. Total expenditures are: \$100.00 initial consideration payment, \$17,176.50 bonus payment and \$3,500.00 in estimated closing costs. (KELLEY NEUMANN – CALVIN FINCH)

## **INFORMATION SERVICES ITEMS**

22. A Resolution approving expenditures in an amount not to exceed \$74,243.00 from the System Fund for the second year of a three-year contract with Levi, Ray & Shoup, Inc., to provide PageCenter and related software licenses for the period February 1, 2008 to January 31, 2011; authorizing the President/Chief Executive Officer or his designee to execute the second year of a three-year agreement with Levi, Ray & Shoup, Inc., for PageCenter and related software licenses and to pay Levi, Ray & Shoup, Inc., an amount not to exceed \$74,243.00 for the PageCenter and related software licenses directing the staff of the system to return to the Board of Trustees for authorization of payment of funds for the third year of the three year agreement. Total expenditures are: \$74,243.00. (DOUG EVANSON – JOE SAMPLES)

## **FINANCIAL ITEMS**

23. A Resolution approving an additional nomination for membership on the Rate Advisory Committee; appointing a Chairperson. (DOUG EVANSON)

## **MISCELLANEOUS ITEMS**

24. A Resolution approving the Identity Theft Prevention Program to comply with federal regulations relating to Red Flags and Identity Theft; and designating the Vice President of Customer Service as the person responsible for the oversight, development, implementation and administration of the Program. (STACEY ISENBERG)
25. A Resolution reaffirming Board Resolution No. 08-126 regarding the commitment of the San Antonio Water System to the financial and legal obligations associated with the

receipt of financial grant assistance under the Water for America - Challenge Grant Program, previously known as the Water 2025 Challenge Grant Program, administered by the Bureau of Reclamation in furtherance of the Automatic Meter Reading Project Initiative. (STACEY ISENBERG – BRIAN TEGELER)

## **ITEMS FOR INDIVIDUAL CONSIDERATION**

### **MISCELLANEOUS ITEMS**

26. A Resolution amending Resolution No. 06-221 by dissolving the existing Board Committee Structure composed of the Audit and Finance Committee, the Operations and Planning Committee and the Water Resources Committee and establishing the Policy and Planning Meeting Structure in it's place; creating the Audit Committee to continue the work currently carried out under the Audit and Finance Committee Charter; authorizing the Chairman of the Board of Trustees to designate Board Members to head up Task Forces of the Board; amending Resolution No. 99-416 by increasing dollar thresholds for Individual Board Meeting Agenda Items; granting the Chairman of the Board of Trustees the authority to make such future amendments to the formats of the Board Meeting and Policy and Planning Meeting Agendas. (VICE CHAIRMAN R. DOUGLAS LEONHARD)

### **WATER RESOURCES ITEMS**

27. A Resolution approving an increase in the per acre-foot maximum rebate under the SAWS Commercial Large-Scale Retrofit Program from \$200.00 per acre-foot to \$400.00 per acre-foot of water saved over the anticipated project life; authorizing the President/Chief Executive Officer or his designee to execute Agreements with participating local businesses under the SAWS Commercial Large-Scale Retrofit Program and to pay participating local businesses rebates based on a calculation of \$400.00 per acre-foot of water saved over the anticipated project life. (KELLEY NEUMANN – KAREN GUZ)

### **28. BRIEFING SESSION.**

- A. Briefing and deliberation regarding the Water Recycling Centers Master Plan. (KELLEY NEUMANN – ASHOK KAJI)
- B. Briefing and deliberation regarding the SAWS' Small, Minority, and Woman Business Program outreach efforts for the Fourth Quarter and End of Year of 2008. (FRANK STENGER-CASTRO - RUBEN SAENZ)
- C. Briefing and deliberation regarding the 2008/2009 Debt Transactions. (DOUG EVANSON – PHYLLIS GARCIA)
- D. Briefing and deliberation regarding the Preliminary Year End 2008 Financial Results. (DOUG EVANSON)
- E. Briefing and deliberation regarding State and Federal Legislative Activities related to the following: (GREG FLORES – DONOVAN BURTON)
1. SAWS' State Legislative Agenda
  2. Water Related Bills filed at the State Legislature
  3. Federal Stimulus
  4. SAWS' Congressional Agenda

29. **President/Chief Executive Officer's Report. Presentation of and deliberation on the following items:**
  - A. **2008 Accomplishments**
30. **Inquiries.**
31. **The Regular Session of the February 10, 2009, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Sections 551.071, 551.072, 551.073, and 551.074 of the Texas Open Meetings Act.**
32. **EXECUTIVE SESSION.**
  - A. **Consultation with attorneys and deliberation regarding the appointment, employment, reassignment, duties, discipline, or dismissal of a public officer or employee. (FRANK STENGER-CASTRO – BILL CROW)**
  - B. **Consultation with attorneys and deliberation regarding potential litigation relating to matters in connection with wastewater permit compliance issues. (FRANK STENGER-CASTRO)**
  - C. **Consultation with attorneys and deliberation regarding legal issues related to the Applications to the Gonzales County Underground Water Conservation District for Drilling, Production, and Transportation Permits Associated with the Regional Carrizo Water Supply Program. (FRANK STENGER-CASTRO - STEVE KOSUB)**
  - D. **Consultation with attorneys and deliberation regarding legal issues related to the Definitive Agreement between the San Antonio Water System and the Lower Colorado River Authority. (FRANK STENGER-CASTRO - STEVE KOSUB)**
  - E. **Consultation with attorneys and deliberation regarding the lawsuit filed in Cause No. 2006-CI-01083; styled *Legan Properties, Ltd., V SAWS, et al*, in the 57<sup>th</sup> Judicial District Court, Bexar County, Texas. (FRANK STENGER-CASTRO – NANCY BELINSKY)**
  - F. **Consultation with attorneys and deliberation regarding legal issues related to the SAWS Information System Agreement for software applications. (FRANK STENGER-CASTRO – NANCY BELISNKY)**
  - G. **Consultation with attorneys for the San Antonio Water System and its Board of Trustees, and consideration of matters in which the duty of the attorney to the San Antonio Water System and its Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of the Texas Open Meetings Act. (FRANK STENGER-CASTRO)**
33. **The Regular Session of the Regular Board Meeting of February 10, 2009, is hereby reconvened.**
34. **Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF FEBRUARY 10, 2009, IS HEREBY ADJOURNED.**