

AGENDA

MEETING OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

Tuesday, February 7, 2012, 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 10, 2012.**
 - B. **Approval of the Minutes of the San Antonio Water System Board of Trustees Policy and Planning Meeting of December 19, 2011.**
4. **Ceremonial Items.**
 - A. **Recognition of the contributions made to the citizens of San Antonio by the retiring members of the Community Conservation Committee and Citizens' Advisory Panel. (CHARLES AHRENS – KAREN GUZ - CALVIN FINCH)**
5. **Citizens to be Heard.**

CONSENT AGENDA ITEMS

Items 6 – 23

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

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 210.233.3690 or 711 (Texas Relay Service for the Deaf).

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 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 Southern Tire Mart to provide: Tires, Tubes and Repair Services, Bid No. 11-3120, for a total of \$673,695.00. (This contract will be utilized for the purchase of new tires, accessories and service. Service is to include fleet checks, all repair services and disposal of old tires for all vehicles and industrial equipment of all types as required by Equipment Maintenance for all SAWS facilities. This contract will be effective Date of Award (February 7, 2012) through December 31, 2012. If determined that an extension is favorable to SAWS, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future years budgets.)**

(SBE)

- 2. Acceptance of the bid of Hadronex, Inc., to provide: Real Time Remote Collection System Overflow Monitoring Devices and Repair Components, Bid No. 11-1084, for a total of \$604,349.50. (This contract will be utilized for the purchase of self-contained wireless sanitary sewer level monitoring systems capable of producing immediate alarms for both surcharge conditions to prevent sanitary sewer overflows and collection system intrusions. The device will be capable of storing historical data trending of wastewater flow levels. This contract will be effective Date of Award (February 7, 2012) through December 31, 2012. If determined that an extension is favorable to SAWS, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future years budgets.)**

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

7. 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 are within the 5-mile Awareness Zone of Camp Bullis. (KELLEY NEUMANN – SAM MILLS)

No.	Tract Name	Developer	Acreage	Water EDUs	WW EDUs	District Special Project (BMWD)	Board Reason	Water CCN	WW CCN
1	District 8 Fire and Rescue	District 8 Fire and Rescue	1.74	2	0	NO	CZ/B	Inside	Outside
2	Hardy Oaks Office Campus	Varco Real Estate Holdings	7	14	14	NO	EA/B	Inside	Applied for
3	Super Soccer Subdivision	Super Soccer Complex, LLC	2.37	1	1	NO	EA/B	Inside	Applied for
Totals			<u>11.11</u>	<u>17</u>	<u>15</u>				
Totals (January 2012 - February 2012)			<u>19.59</u>	<u>17</u>	<u>47</u>				

8. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below which are not located over the Edwards Aquifer Recharge or Contributing Zone and are not within the 5-mile Awareness Zone of Camp Bullis. (KELLEY NEUMANN – SAM MILLS)

No.	Tract Name	Developer	Acreage	Water EDUs	WW EDUs	District Special Project (BMWD)	Board Reason	Water CCN	WW CCN
1	Lone Star Brewery Redevelopment	Landbridge Partners	43.98	1,250	1,250	NO	OVR	Inside	Outside
Totals			<u>43.98</u>	<u>1,250</u>	<u>1,250</u>				
Totals (January 2012 - February 2012)			<u>243.98</u>	<u>1,997</u>	<u>1,865</u>				

**EDU/Acreage Comparison Totals
2012 – 2011**

EDU/Acreage Comparison Totals 2012 - 2011 (Year to Date - All Categories)	Total Acreage	Total Water EDU's	Total WW EDU's
Total (January- February 2012)	263.57	2,014	1,912
Total (January – February 2011)	421.71	516	882

9. A Resolution accepting the bid of Lewis Contractors, Inc., in the amount of \$570,148.50 for the construction of the 16-inch water main in connection with the Quiet Creek 16” Oversize (8” required) Water Main Phase 1 Project; awarding a construction contract to Lewis Contractors, Inc. in the amount of \$570,148.50 for the project work; authorizing the expenditure of System Funds in the amount of \$427,611.37 for the System's proportionate share of the project work; authorizing the expenditure of System Funds in the amount of \$42,761.14 for the System's proportionate share of the engineering design fees; authorizing the System's proportionate share of the construction contingency expenses in an amount not to exceed \$15,000.00 in connection with the project work; authorizing a total amount not to exceed \$485,372.51 from the System's 2012 Capital Improvements Plan Oversize Projects Fund for the System's proportionate share of the project work, engineering fees, and construction contingency expenses related to the project work; authorizing the President/Chief Executive Officer to execute a contract with Velma Development LLC., and Lewis Contractors, Inc., and provide payment in an amount not to exceed \$442,611.37 to Lewis Contractors, Inc. and reimbursements in an amount not to exceed \$42,761.14 to Velma Development LLC., for the System's proportionate share of the cost to oversize the proposed water mains. Total expenditures are: \$485,372.51. (KELLEY NEUMANN – SAM MILLS)

Production, Transmission and Treatment Improvements

10. A Resolution ratifying the actions of the Senior Vice-President of Strategic Resources in executing a contract in the amount of \$534,000.00 with MAC Inc., for the construction of the Dos Rios Water Recycling Center (WRC) Permanent Stabilization of Sludge Loading Building Project; authorizing the expenditure of funds in the amount of \$534,000.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$27,000.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$561,000.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the President/Chief Executive Officer to pay MAC Inc., the amount of \$534,000.00 for the project work in connection with the Dos Rios Water Recycling Center (WRC) Permanent Stabilization of Sludge Loading Building Project. Total expenditures are: \$561,000.00. (KELLEY NEUMANN – ASHOK KAJI)
11. A Resolution approving Change Order No. 2 in the amount of \$500,000.00 for the 2011 Rehabilitation Work Order Construction Contract 2; approving additional contingency funds in the amount of \$500,000.00 from the Project Fund; authorizing the President/Chief Executive Officer to execute Change Order No. 2 and to pay PM Construction & Rehab, L.P., an additional amount not to exceed \$500,000.00 for the additional project work. Total expenditures are: \$500,000.00. (KELLEY NEUMANN – FRANCES PLOCEK)

Professional Services Contracts

12. **A Resolution accepting the proposal of and awarding a professional services contract to AECOM Technical Services, Inc., in an amount not to exceed \$750,000.00 for the 2012 Engineering Design Services – Replacements and Improvements, Contract I; approving the expenditure of funds in an amount not to exceed \$750,000.00 from the System's Project Fund for the sewer project engineering work; authorizing the President/Chief Executive Officer to execute a professional services contract with AECOM Technical Services, Inc., and to pay AECOM Technical Services, Inc., an amount not to exceed \$750,000.00 for the project engineering work. Total expenditures are: \$750,000.00. (KELLEY NEUMANN – FRANCES PLOCEK)**

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

13. **A Resolution approving the expenditure of funds in the amount of \$1,583,364.13 for the adjustment of water and sewer facilities by Bexar County in connection with the Hausman Drainage LC-9 Project; approving construction contingency expenses related to the project work in an amount not to exceed \$79,168.21; approving an amount not to exceed \$1,662,532.34 be made available and expended from the System's Project Fund for the project work and related construction contingencies; authorizing the President/Chief Executive Officer to execute an Interlocal Agreement and to pay in advance to Bexar County an amount not to exceed \$1,583,364.13 for the project work. Total expenditures are: \$1,662,532.34. (KELLEY NEUMANN – CINDY KOVACIC)**
14. **A Resolution amending Resolution No. 11-337 by approving the expenditure of additional funds in the amount of \$10,550.20 for the adjustment of water facilities by Bexar County in connection with the Sixmile Creek Drainage Improvements Phase I SA 43 Project; approving additional construction contingency expenses in an amount not to exceed \$14,089.02 for the project work; authorizing that an additional amount not to exceed \$24,589.22 be made available and expended from the System's Project Fund for the project work and related construction contingencies; authorizing the President/Chief Executive Officer to pay an additional amount not to exceed \$24,589.22 to Bexar County for the project work and related construction contingencies. Total expenditures are: \$24,589.22 for a revised contract amount of \$156,468.00. (KELLEY NEUMANN – CINDY KOVACIC)**

Professional Services Contracts

15. **A Resolution amending Resolution No. 11-153 by approving the expenditure of additional funds in an amount not to exceed \$400,000.00 payable to Pronto Sandblasting & Coating & Oil Field Services, Inc. for additional construction contingency expenses in connection with the 2011 Water and Sewer Construction Package IV Project; approving an additional amount not to exceed \$400,000.00 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. 6 in the amount of \$400,000.00; authorizing the President/Chief Executive Officer to pay Pronto Sandblasting & Coating & Oil Field Services, Inc. an additional amount not to exceed \$400,000.00 for the additional project work and additional construction expenses. Total expenditures are: \$400,000.00. (KELLEY NEUMANN – CINDY KOVACIC)**

WATER RESOURCES PROJECTS

Professional Services Contracts

16. A Resolution amending Resolution No. 11-052 by approving Contract Amendment No. 1 to provide for additional engineering services to the existing professional services contract with Tetra Tech, Inc., in an amount not to exceed \$44,578.00 in connection with the Regional Carrizo Project, Schertz Parkway Pump Station located in the City of Schertz in Guadalupe County and the overall Regional Carrizo Program in Gonzales, Guadalupe, and Bexar Counties; approving additional expenditures in an amount not to exceed \$44,578.00; approving the expenditure of funds in an amount not to exceed \$44,578.00 from the San Antonio Water System's Project Fund for additional engineering services; authorizing the President/Chief Executive Officer or his designee to finalize and execute Contract Amendment No. 1 to the existing professional services agreement with Tetra Tech, Inc., and to pay Tetra Tech, Inc., an additional amount not to exceed \$44,578.00 for additional engineering services. Total expenditures are: \$44,578.00 for a revised contract amount of \$791,878.00. (CHARLES AHRENS – GARY GUY)

EASEMENTS AND REAL PROPERTY

17. A Resolution approving the acquisition of a permanent water line easement affecting 2.293 acres (99,880 square feet) and a temporary construction easement affecting 1.376 acres (59,929 square feet), located on the south corner of Lookout Road and Enterprise Avenue in the City of Selma, Texas, and Guadalupe County and Comal County, Texas, being out of the T. Herrera Survey No. 68, Abstract No. 205 in Comal County, Texas, and Abstract No. 153 in Guadalupe County, Texas, (the "Easements"), in connection with the Regional Carrizo Program, Water Delivery Pipeline Project; authorizing the expenditure of funds from the System's Project Fund in a total amount not to exceed \$171,500.00 for the acquisition of the Easements and related closing and title insurance costs; authorizing the President/Chief Executive Officer or his designated representative to execute all documents necessary to effectuate the acquisition of the Easements and to pay the amount not to exceed \$168,000 to Melvin R. John, Clarence M. John and Leonard R. John and up to \$3,500.00 to Mission Title Company for related closing and title insurance costs. Total expenditures are: \$171,500.00. (MIKE BRINKMANN – BRUCE HABY)
18. A Resolution approving the acquisition of a permanent water line easement affecting 0.805 of an acre (35,083 square feet) and a temporary construction easement affecting 1.118 acres (48,709 square feet), located on the southeast side of Lookout Road, southwest of Loop 1604, in Live Oak, Bexar County, Texas, being out of the Jose Maria Ocon Survey No. 279, Abstract No. 864, County Block 5042, Bexar County, Texas, (the "Easements"), in connection with the Regional Carrizo Program, Water Delivery Pipeline Project; authorizing the expenditure of funds from the System's Project Fund in a total amount not to exceed \$115,100.00 for the acquisition of the Easements and related closing and title insurance costs; authorizing the President/Chief Executive Officer or his designated representative to execute all documents necessary to effectuate the acquisition of the Easements and to pay the amount not to exceed \$112,600.00 to GAC Management Co., LTD. and up to \$2,500.00 to Mission Title Company for related closing and title insurance costs. Total expenditures are: \$115,100.00. (MIKE BRINKMANN – BRUCE HABY)
19. A Resolution approving the acquisition of a permanent water line easement affecting 0.389 of an acre (16,961 square feet) and a temporary construction easement affecting

0.182 of an acre (7,930 square feet), located on the northwest side of Lookout Road, between Enterprise Avenue and Jordan Lane, in Selma, Comal County, Texas, being out of the Vincente Micheli Survey No. 114, Abstract No. 383, in Comal County, Texas, and also being out of Lot 1, Block 1, Lookout Business Center – Unit 1, a subdivision recorded in Document No. 200806030605, official records of Comal County, Texas, (the “Easements”), in connection with the Regional Carrizo Program, Water Delivery Pipeline Project; authorizing the expenditure of funds from the System’s Project Fund in a total amount not to exceed \$60,100.00 for the acquisition of the Easements and related closing and title insurance costs; authorizing the President/Chief Executive Officer or his designated representative to execute all documents necessary to effectuate the acquisition of the Easements and to pay the amount not to exceed \$57,900.00 to Solida Administradora De Portafolios, S.A. de C.V. and up to \$2,200.00 to Mission Title Company for related closing and title insurance costs. Total expenditures are: \$60,100.00. (MIKE BRINKMANN – BRUCE HABY)

20. A Resolution authorizing the acquisition of a permanent easement and expenditure from the Project Fund of an additional amount of \$68,000.00 to settle all litigation between the San Antonio Water Project and Fredrick W. Donecker, Jr.; Rose Marie Seller; Tara Beth Jackel; and Elizabeth M. Donecker, together with related title insurance and closing costs, in connection with the condemnation of the permanent sewer easement (the “Easement”) described as a 2.347-acre tract located along the westerly right of way of Loop 1604 south of the intersection of US Highway 90 in the southwest quadrant of Bexar County, Texas, owned by Fredrick W. Donecker, Jr.; Rose Marie Seller; Tara Beth Jackel; and Elizabeth M. Donecker (collectively, the “Owners”) for the Southwest Bexar Sewer Pipeline Project; authorizing the payment of \$66,000.00 to the Owners or via Alamo Title as escrow agent as additional consideration for execution of the Easement for total consideration to the landowners of \$125,000.00; authorizing the payment to Alamo Title Company of up to \$2,000.00 for title insurance and related closing costs; authorizing the project's attorneys to settle this litigation. Total expenditures are: \$66,000.00 for a total amount of \$125,000.00. (MIKE BRINKMANN – BRUCE HABY)

MISCELLANEOUS ITEMS

21. A Resolution amending Resolution No. 09-393 to provide for additional funds to the existing contracts with Atrium Real Estate Services; Dugger, Canaday, Grafe, Inc.; and Eckmann Groll, Inc. (“Appraisal Companies”) to provide real estate appraisal services in connection with various capital improvement projects (the “Project Work”) for an additional amount not to exceed \$300,000.00; authorizing total expenditures in an amount not to exceed \$300,000.00 from the Project Fund for the additional project work; authorizing the President/Chief Executive Officer or his designated representative to negotiate and execute an amendment with Appraisal Companies and to pay Appraisal Companies an amount not to exceed \$300,000.00 to provide for the additional project work. Total expenditures are: \$300,000.00 for a total contract amount of \$1,100,000.00. (MIKE BRINKMANN – BRUCE HABY)

INFORMATION SERVICES ITEMS

22. A Resolution approving an extension to a contract in an amount not to exceed \$155,333.00 for an 8 month period to Toshiba Business Solutions for the lease of the fax/copy/print/scan (multifunctional) equipment and related services for use at SAWS facilities from November 2011 to June 2012; authorizing the expenditures for such services for Fiscal Year 2012 from the System Fund; authorizing the President/Chief Executive Officer or his designated representative to execute an extension to the contract

with Toshiba Business Solutions and to pay Toshiba Business Solutions an amount not to exceed \$155,333.00 for an 8 month period for such services. Total expenditures are: \$155,333.00. (DOUG EVANSON – JOE SAMPLES)

23. A Resolution approving the second option year extension to the existing contract with Levi, Ray & Shoup, Inc., in an amount not to exceed \$142,756.00 to provide Pagecenter and related software licenses for the period of February 1, 2012 to January 31, 2013; approving expenditures in an amount not to exceed \$142,756.00 from the System Fund for a one year contract wWith Levi, Ray & Shoup, Inc.; authorizing the President/Chief Executive Officer or his designee to execute the second one year extension to the existing contract with Levi, Ray & Shoup, Inc., and to pay Levi, Ray & Shoup, Inc., an amount not to exceed \$142,756.00 to provide Pagecenter and related software licenses. Total expenditures are: \$142,756.00. (DOUG EVANSON – JOE SAMPLES)

ITEMS FOR INDIVIDUAL CONSIDERATION

FINANCIAL SERVICES ITEMS

24. A Resolution establishing the San Antonio Water System Retiree Health Trust; accepting a proposal and awarding a contract to Wells Fargo Bank, N.A. to provide trust and investment management services (as discretionary trustee) for the San Antonio Water System Retiree Health Trust for a three year period with an option to extend the term for up to two additional one-year periods; adopting an Investment Committee consisting of the persons who hold the titles of (a) Senior Vice President/Chief Financial Officer, (b) Vice President Human Resources, and (c) Vice President Customer Service of SAWS to supervise the San Antonio Water System Retiree Health Trust; adopting an Investment Policy for the San Antonio Water System Retiree Health Trust; authorizing the contribution of \$12,000,000.00 to the San Antonio Water System Retiree Health Trust for calendar year 2012; and authorizes that expenditures in the subsequent fiscal years be pursuant to and contingent upon Board approval of subsequent year's budgets with a line item for such expenditures; authorizing the President/Chief Executive Officer and/or the Senior Vice President/Chief Financial Officer to take all necessary action relating to the San Antonio Water System Retiree Health Trust and to execute any and all documents necessary to form and manage the San Antonio Water System Retiree Health Trust. Total amount contributed to the Trust: \$12,000,000.00. (JERRY BAILEY - DOUG EVANSON – MARY BAILEY)
25. A Resolution authorizing the establishment of a Risk Pool for operation of the SAWS Medical Plan and the SAWS Retiree Health Trust; authorizing funds in the amount not to exceed \$10,000.00 from the System Fund to establish the Risk Pool; authorizing the persons who hold the titles of (a) Senior Vice President/Chief Financial Officer, (b) Vice President Human Resources, and (c) Vice President Customer Service of SAWS to serve as Trustees of the Risk Pool; further authorizing the President/Chief Executive Officer and/or his designee to take all necessary action relating to such Risk Pool. Total expenditures are: \$10,000.00. (JERRY BAILEY - DOUG EVANSON – MARY BAILEY)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

26. A Resolution accepting the bid of Atlas Construction, Corp., in the amount of \$1,877,186.50 for the construction of the sanitary sewer main and lift station in connection with The Verano Phase 2 Sanitary Sewer Lines "A1" & "B" and Verano Phase 2 Lift Station # 1 & 10-Inch Force Main Project; awarding a construction contract to Atlas Construction, Corp. in the amount of \$1,877,186.50 for the project work; authorizing the expenditure of System Funds in the amount of \$1,877,186.50 for the System's proportionate share of the project work; authorizing the expenditure of System Funds in the amount of \$187,718.65 for the System's proportionate share of the engineering design fees; authorizing the System's proportionate share of the construction contingency expenses in an amount not to exceed \$50,000.00 in connection with the project work; authorizing a total amount not to exceed \$2,114,905.15 from System's 2012 Capital Improvements Plan Verano Sewer Mains and Lift Stations Project Fund for the System's proportionate share of the project work, engineering fees, and construction contingency expenses related to the project work; authorizing the President/Chief Executive Officer to execute a contract with VTLM Texas, L.P., and Atlas Construction, Corp., and provide payment in an amount not to exceed \$1,927,186.50 to Atlas Construction, Corp., for the construction of the proposed sewer mains and reimbursements in an amount not to exceed \$187,718.65 to VTLM Texas, L.P. for design fees. Total expenditures are: \$2,114,905.15.
(KELLEY NEUMANN – SAM MILLS)

Production, Transmission and Treatment Improvements

27. A Resolution accepting the bid of S.J. Louis Construction of Texas, LTD., in the amount of \$12,965,862.47 for the Southwest Bexar Sewer Pipeline - Segment 5 Project; awarding a contract to S.J. Louis Construction of Texas, LTD., in the amount of \$12,965,862.47 for the project work; approving the expenditure of funds in the amount of \$12,965,862.47 for the project work; approving construction contingency expenses in an amount not to exceed \$648,293.00 in connection with the project work; approving total expenditures in an amount not to exceed \$13,614,155.47 be made available and expended from the System's Project Fund for the project work and related construction contingencies; authorizing the President/Chief Executive Officer to execute a construction contract with S.J. Louis Construction of Texas, LTD., and to pay S.J. Louis Construction of Texas, LTD., an amount not to exceed \$13,614,155.47 for the project work and related construction contingencies. Total expenditures are: \$13,614,155.47. (KELLEY NEUMANN – FRANCES PLOCEK)
28. A Resolution ratifying the actions of the Senior Vice President of Strategic Resources in executing a construction contract required to protect and preserve the public health and safety in the amount of \$2,458,450.93 with S.J. Louis Construction of Texas, LTD., in connection with the Southton Road Emergency Sewer Project; authorizing the expenditure of funds in the amount of \$2,458,450.93 for the project work; authorizing construction contingency expenses in an amount not to exceed \$246,000.00 in connection with the project work; authorizing \$190,000.00 to Zumwalt Construction Inc. for a temporary construction lane for the project; authorizing total expenditures in amount not to exceed \$2,894,450.93 from the System's Project Fund for the project work, the related construction contingencies and the temporary construction lane; authorizing the President/Chief Executive Officer to pay S.J. Louis Construction of Texas, LTD., an amount not to exceed \$2,704,450.93 for the project work, the related construction contingencies and to pay Zumwalt Construction Inc. an amount not to exceed \$190,000.00 for the temporary construction lane. Total expenditures are: \$2,894,450.93.
(KELLEY NEUMANN – FRANCES PLOCEK)

29. BRIEFING SESSION.

No items for this Meeting.

30. President/Chief Executive Officer's Report. Presentation of and deliberation on the following Items:

A. Status of BexarMet to SAWS Transition

31. Inquiries.

32. The Regular Session of the February 7, 2012, 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.

33. EXECUTIVE SESSION.

A. Consultation with attorneys and deliberation regarding the appointment, employment, reassignment, duties, discipline, or dismissal of a public officer or employee. (NANCY BELINSKY – WILLIAM CROW)

B. Consultation with attorneys and deliberation regarding Cause No. 2010-CI-10630; *Harwell Holding Company, Ltd., Westwood Center Apartments, Ltd., Westwood Center Apartments Phase II, Ltd., and Culebra 1604 Joint Venture v. Fisher Engineering, Inc., W.F. Castella & Associates, Inc. n/k/a AECOM USA, Inc., KB Home Lone Star, Inc., CMH Parks, Inc., City of San Antonio, San Antonio Water System, Yes Companies, LLC, and Macina, Bose, Copeland & Associates, Inc.*, in the 37th Judicial District Court, Bexar County, Texas. (NANCY BELINSKY – JOHN REYNOLDS)

C. Consultation with attorneys and deliberation regarding the Hausman Drainage LC-9 Project easement acquisitions, including request to City Council for declaration of public necessity for such acquisitions and authorization of eminent domain proceedings to acquire necessary easements (NANCY BELINSKY – MARK BREWTON)

D. Consultation with attorneys and deliberation regarding wastewater and real estate issues near the intersection of Hortencia Avenue and Azucena Street, in the northwest quadrant of the City of San Antonio (NANCY BELINSKY – MARK BREWTON)

E. Consultation with attorneys and deliberation regarding the Western Watershed Sanitary Sewer Relief Line – Lower Segment easement acquisitions, including request to City Council for declaration of public necessity for such acquisitions and authorization of eminent domain proceedings to acquire necessary easements (NANCY BELINSKY – MARK BREWTON)

F. Consultation with attorneys and deliberation regarding Second Amended and Restated Water Supply Agreement (Stein Tract) between Bexar Metropolitan Water District and Water Exploration Co., LTD. dated April 11, 2011, and Amended and Restated Water Supply Contract (Dym Tract) between Bexar Metropolitan Water District and Water Exploration Co., LTD. dated May 19, 2011. (NANCY BELINSKY – STEVE KOSUB)

- G. **Consultation with attorneys and deliberation regarding Cause No. 2010-CI-07444; *Debra Nicholas vs. San Antonio Water System*, in the 57th Judicial District Court, Bexar County, Texas.
(NANCY BELINSKY – WILLIAM CROW)**
 - H. **Consultation with attorneys and deliberation regarding Cause No. 348975, *Southwestern Bell Telephone Company d/b/a AT&T Texas vs. San Antonio Water System*, In the County Court at Law No. 10, Bexar County, Texas, and Cause No. 348612, *Southwestern Bell Telephone Company d/b/a AT&T Texas vs. San Antonio Water System*, In the County Court at Law No. 10, Bexar County, Texas. (NANCY BELINSKY - WILLIAM CROW)**
 - I. **Deliberation regarding the annual evaluation, performance objectives and duties of the President/CEO; and consultation with attorneys concerning legal issues regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer. (NANCY BELINSKY)**
 - J. **Consultation with attorneys and deliberation 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. (NANCY BELINSKY)**
34. **The Regular Session of the Regular Board Meeting of February 7, 2012, is hereby reconvened.**
35. **A Resolution approving a Settlement Agreement in connection with the lawsuit styled 2010-CI-10630, *Harwell Holding Company, Ltd., Westwood Center Apartments, Ltd., Westwood Center Apartments Phase II, Ltd., and Culebra 1604 Joint Venture v. Fisher Engineering, Inc., W.F. Castella & Associates, Inc. n/k/a AECOM USA, Inc., KB Home Lone Star, Inc., CMH Parks, Inc., City of San Antonio, San Antonio Water System, YES Companies, LLC, and Macina, Bose, Copeland & Associates, Inc.*, in the 37th Judicial District Court, Bexar County, Texas; approving the obligations provided in the Settlement Agreement; authorizing the President/Chief Executive Officer or his designee to execute all documents necessary to settle the lawsuit and perform the obligations of the San Antonio Water System provided in the Settlement Agreement.
(NANCY BELINSKY)**
36. **A Resolution declaring a public necessity for the acquisition of certain privately owned real property interests in the City of San Antonio being permanent water and sewer line easements and temporary construction easements (collectively the “Easements”), this project is located west of the intersection of Hausman Road and Babcock Road on Hausman Road in the northwest quadrant of Bexar County, Texas as described herein below (“the Property”), which easements shall be acquired by negotiation and/or condemnation, if necessary, for the public use of the Hausman Drainage Phase I LC-9 Project (the “Project”); requesting that the City Council of the City of San Antonio (“City Council”): (i) adopt an ordinance reaffirming and declaring that the Project is for a public use and a public necessity exists for the acquisition of the Property; (ii) authorize the System to take all appropriate action to acquire the Property by negotiation and/or condemnation; (iii) declare that the conveyance of the Property shall be to the City of San Antonio for the use and benefit of the System; authorizing the General Counsel and/or designated special counsel to**

file eminent domain proceedings, if necessary; providing and approving funding for the Project. (MIKE BRINKMANN – BRUCE HABY)

37. A Resolution declaring a public necessity for public use the acquisition of certain privately owned real property interests in the City of San Antonio being permanent sewer line easements and temporary construction easements (collectively, the “Easements”), this project will start at Quintana Road and generally follow the existing sewer alignment and terminate at Southwest Loop 410 in the southwest quadrant of Bexar County, Texas as described herein below, which Easements shall be acquired by negotiation and/or condemnation, if necessary, for the public use of the expansion and operation of the System through the construction of the Western Watershed Sanitary Sewer Relief Line – Lower Segment (the “Project”); requesting that the City Council of the City of San Antonio (“City Council”): (i) adopt an ordinance reaffirming and declaring that the Project is for a public use and a public necessity exists for the acquisition of the Property; (ii) authorize the System to take all appropriate action to acquire the Property by negotiation and/or condemnation; (iii) declare that the conveyance of the Property shall be to the City of San Antonio for the use and benefit of the System; authorizing the General Counsel and/or designated special counsel to file eminent domain proceedings, if necessary; providing and approving funding for the Project. (MIKE BRINKMANN – BRUCE HABY)
38. A Resolution approving settlement of two lawsuits of Southwestern Bell Telephone Company d/b/a AT&T Texas against the San Antonio Water System; approving the System's financial obligation under the settlement; authorizing expenditures in the total amount of \$30,000.00 from the System Fund for purposes of the settlement; authorizing the President/Chief Executive Officer and the System's Legal Counsel to execute the Settlement Agreement and to pay \$30,000.00 to Southwestern Bell Telephone Company d/b/a AT&T Texas and its attorney for the System's obligation under the terms of the Settlement Agreement. Total expenditures are: \$30,000.00. (NANCY BELINSKY - WILLIAM CROW)
39. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF FEBRUARY 7, 2012, IS HEREBY ADJOURNED.