

AGENDA
MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
Tuesday, October 2, 2007, 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 Chapter 551 of the Texas Open Meetings Act, Texas Government Code, which permits closed meetings for purposes of consulting with its attorneys and deliberating about real property, gifts and donations, personnel matters and security devices. 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 September 4, 2007.**
 - B. **Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting of September 8, 2007.**
4. **Ceremonial Items.**
 - A. **Recognition of Ross Harris being the recipient of one of the National Registry of Environmental Professionals “2007 Project of the Year” awards for helping to design and implement the Convention Center’s Recycled Water Discharge Program. (STEVE CLOUSE)**
5. **Citizens to be Heard.**
6. **Board of Trustees - Committee Reports.**
 - A. **Audit and Finance Committee.**
 - B. **Planning and Operations Committee.**
 - C. **Water Resources Committee.**

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.

CONSENT AGENDA ITEMS

Items 7 – 40

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

7. **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.**
- 1. Acceptance of the bid of Hydro-Con Systems to provide: Three each – 8 inch Pump Assembly with Impeller Equipment, Bid No. 07-7043, for a total of \$79,200.00. (Purchase of a Flowserve/Worthington pump assembly with impellers equipment to replace the existing pumps at Acequia Park Lift Station.)**
- 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 Massengale Armature Works, Inc., to provide: 3-200 HP Electric Motor Repair Contract, Bid No. 07-7040B, for a total of \$415,895.58. (This contract will be utilized for the repair of single and three phase AC electric motors ranging from 3 HP and including 200 HP. Work will include rewinding, reconditioning, machine-work, tear down, inspection and repair. This contract will be effective Date of Award October 2, 2007 through December 31, 2008.)**
 - 2. Acceptance of the bid of Alfred Conhagen, Inc., of Texas to provide: Pump Repair and Machining, Bid No. 07-7033A, for a total of \$1,102,010.00. (This contract will provide machine shop and repair services for potable and reuse water pumps. This contract will be effective Date of Award October 2, 2007 through December 31, 2008.)**
- 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.**
- 1. Acceptance of the bid of Ferrellgas to provide: Propane Tankwagon Deliveries, Bid No. 07-0294, for a total of \$70,000.00. (This contract will be utilized for furnishing, transporting and unloading liquid propane to existing storage tanks at SAWS' Mission Road, Leon Creek and Dos**

Rios Water Recycling Centers. This contract will be effective January 1, 2008 through December 31, 2009.)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

8. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below. (KELLEY NEUMANN – SAM MILLS)

| No. | Tract Name | Developer Name | Acreage | Water EDUs | WW EDUs | No. |
|--|-----------------------------------|---|----------------------|----------------------|----------------------|-----|
| 1 | Fox Valerio Tract | LFV Properties, LTD. | 67.9 | 190 | 190 | 1 |
| 2 | Haby Tract 167.9 Acres | Post Oak Development of Texas, Inc. | 167.9 | 232 | 0 | 2 |
| 3 | Hill Country Place Apartments | Place Properties Development Services, L.P. | 55.32 | 110 | 115 | 3 |
| 4 | Huey Tract | Huey Commercial Properties, Ltd. | 13.6 | 90 | 90 | 4 |
| 5 | Kinder Commercial | Bitterblue | 3 | 15 | 15 | 5 |
| 6 | Lux Tract | LFV Properties, LTD. | 105.5 | 165 | 162 | 6 |
| 7 | Mission Park - Stone Oak | Mission Park cemeteries & Funerals Chapels | 113.27 | 0 | 199 | 7 |
| 8 | Quiet Creek | Be Homes LLC/Flotex Developers LLC | 215.36 | 613 | 0 | 8 |
| 9 | Steubing Babcock Road Tract | Bonnie Steubing Pollard | 194.52 | 1,241 | 1,241 | 9 |
| 10 | Union Pacific Intermodal Facility | Union Pacific Railroad Company | 220 | 34 | 18 | 10 |
| | | | | | | |
| | | | | | | |
| Totals | | | <u>1,156</u> | <u>2,690</u> | <u>2,030</u> | |
| Year-to-Date Totals (January-October 2007) | | | <u>14,350</u> | <u>30,545</u> | <u>35,848</u> | |

9. A Resolution accepting the bid of AJ Commercial Services, Inc., d/b/a ASC Paving, in the amount of \$229,939.00 for the construction of the 20-inch water main in connection with the Presidio Heights Phase 1, 20-Inch Oversize (12-Inch Required) On-Site Water Main Project; awarding a construction contract to AJ Commercial Services, Inc., d/b/a ASC Paving, for the project work; authorizing the expenditure of System funds in the amount of \$161,877.06 for the System's proportionate share of the project work and engineering design fees; authorizing the System's proportionate share of the construction contingency expenses in an amount not to exceed \$4,598.78 in connection with the project work; authorizing a total amount not to exceed \$166,475.84 from System's 2007 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 McMillin Texas Development, L.L.C., and AJ Commercial Services, Inc., d/b/a ASC Paving, and provide payment in an amount not to exceed \$166,475.84 to AJ Commercial Services, Inc., d/b/a ASC Paving in care of McMillin Texas Development, L.L.C., for the System's proportionate share of the cost to oversize the proposed water mains. Total expenditures are: \$166,475.84.
(KELLEY NEUMANN – SAM MILLS)

10. A Resolution authorizing the President/Chief Executive Officer or his designated representative to approve an Interlocal Agreement with Bexar Metropolitan Water District (BexarMet) to provide potable water to the Monte Cristo and Venado Creek Subdivisions for a period of thirty-six months;. (KELLEY NEUMANN – SAM MILLS)

Professional Services

- (MBE) 11. A Resolution ratifying the actions of the Vice-President of Facilities Engineering & Construction in approving Contract Amendment No. 1 in the amount of \$7,920.00 in connection with the Brooks City-Base Project; amending Resolution No. 06-077, by approving additional expenditures in an amount not to exceed \$7,920.00 for additional environmental services By K. M. Ng & Associates, Inc., in connection with the Brooks City-Base Project; approving that an amount not to exceed \$7,920.00 be made available and expended from the System's Project Fund for the water related additional engineering design services; authorizing the President/Chief Executive Officer to execute Contract Amendment No. 1 and to pay K. M. Ng & Associates, Inc., an additional amount not to exceed \$7,920.00 for the additional engineering services in connection with the project. Total expenditures are: \$7,920.00, bringing the total project cost to: \$151,674.00. (KELLEY NEUMANN –FRANCES PLOCEK)
- (MBE) 12. A Resolution accepting the proposal of K.M. Ng & Associates, Inc., in an amount not to exceed \$218,253.00 for the design of the Culebra/Windgate Pump Station Project; awarding a professional services contract to K.M. Ng & Associates, Inc., in an amount not to exceed \$218,253.00 in connection with this project; authorizing the expenditure of funds in an amount not to exceed \$218,253.00 from the System's Project Fund for the project engineering services in connection with this project; authorizing the President/Chief Executive Officer to execute a professional services contract with K.M. Ng & Associates, Inc., and to pay K.M. Ng & Associates, Inc., an amount not to exceed \$218,253.00 for project engineering services in connection with the project. Total expenditures are: \$218,253.00. (KELLEY NEUMANN - ASHOK KAJI)
- (MBE) 13. A Resolution accepting the proposal of K.M. Ng & Associates, Inc., in the amount of \$200,000.00 for the Recycled Water System Engineering Design Services Contract I in connection with various Capital Improvement Program Projects; awarding a professional engineering services contract to K.M. Ng & Associates, Inc., in an amount not to exceed \$200,000.00 in connection with these projects; authorizing the expenditure of funds in an amount not to exceed \$200,000.00 for the Recycled Water Engineering Design Services Contract I from the System's Project Fund for these Capital Improvement Program Projects; authorizing the President/Chief Executive Officer to execute a professional services contract with K.M. Ng & Associates, Inc., and to pay K.M. Ng & Associates, Inc., an amount not to exceed \$200,000.00 for the Recycled Water Engineering Design Services Contract I in connection with these Capital Improvement Projects. Total expenditures are: \$200,000.00.
(KELLEY NEUMANN –ASHOK KAJI)
14. A Resolution accepting the proposal of Alan Plummer Associates, Inc., in the amount of \$200,000.00 for the Recycled Water System Engineering Design Services Contract

II in connection with various Capital Improvement Program Projects; awarding a professional services contract to Alan Plummer Associates, Inc., in an amount not to exceed \$200,000.00 in connection with these projects; authorizing the expenditure of funds in an amount not to exceed \$200,000.00 for recycled water engineering design services from the System's Project Fund for these Capital Improvement Program Projects; authorizing the President/Chief Executive Officer to execute a professional services contract with Alan Plummer Associates, Inc., and to pay an amount not to exceed \$200,000.00 to Alan Plummer Associates, Inc., for the Recycled Water Engineering Design Services in connection with the Recycled Water System Engineering Design Services Contract II for these Capital Improvement Projects. Total expenditures are: \$200,000.00. (KELLEY NEUMANN –ASHOK KAJI)

REPLACEMENT PROJECTS

Governmental Relocations and Replacements

15. A Resolution amending Resolution No. 07-125 by approving the expenditure of additional funds in an amount not to exceed \$72,958.12 payable to Pipelayers, Inc., for additional construction contingency expenses in connection with the Cedarhurst: Eagle Rock to Valley Hi Project; approving an additional amount not to exceed \$72,958.12 be made available and expended from the System's Project Fund for the additional construction contingency expenses; ratifying the actions of the Vice-President of Facilities Engineering and Construction in approving Change Order No. 1 in the amount of \$92,164.48; authorizing the President/Chief Executive Officer to pay to Pipelayers, Inc., an additional amount not to exceed \$72,958.12 for the additional project work and construction contingency expenses. Located in Council Districts 4. Total expenditures are: \$92,164.48, bringing the total project cost to: \$1,188,833.46. (KELLEY NEUMANN – CINDY KOVACIC)
16. A Resolution authorizing the President/Chief Executive Officer to execute an Interlocal Agreement with the City of San Antonio for an amount not to exceed \$7,178.76 for the project work and related construction contingencies in connection with the Blanco/Clark/Hotwells-MPO Sidewalks Project;. Located in Council Districts 3 and 9. Total expenditures are: \$ 7,178.76. (KELLEY NEUMANN – CINDY KOVACIC)
17. A Resolution amending Resolution No. 07-124 by approving the expenditure of additional funds in an amount not to exceed \$76,129.36 payable to the City of San Antonio for Change Order No. 1 in connection with the W. W. White Area Outfall Phase I, Part 1 Project; approving an additional amount not to exceed \$80,000.00 be made available and expended from the System's Project Fund for the additional construction contingency expenses; ratifying the actions of the Vice-President of Facilities Engineering and Construction in approving Change Order No. 1 in the amount of \$76,129.36; authorizing the President/Chief Executive Officer to pay the City of San Antonio an additional amount not to exceed \$80,000.00 for the additional construction contingency expenses. Located in Council District 2. Total expenditures are: \$80,000.00, bringing the total project cost to: \$1,440,781.34. (KELLEY NEUMANN – CINDY KOVACIC)
18. A Resolution approving the expenditure of funds in the amount of \$633,368.50 for the replacement and adjustment of water and wastewater facilities by the City of San Antonio in connection with the W.W. White Area Outfall Phase I Part 2 Project; approving construction contingency expenses related to the project work in an amount

not to exceed \$64,631.50; approving an amount not to exceed \$301,000.00 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; approving an amount not to exceed \$397,000.00 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; authorizing the President/Chief Executive Officer to pay to the City of San Antonio an amount not to exceed \$698,000.00 for the project work and related construction contingencies. Located in Council Districts 4 and 2. Total expenditures are: \$698,000.00. (KELLEY NEUMANN –CINDY KOVACIC)

19. A Resolution approving the expenditure of funds in the amount of \$324,988.29 for the replacement and adjustment of water and wastewater facilities by the City of San Antonio in connection with the Cardiff Area Improvements Phase Ii Project; approving construction contingency expenses related to the project work in an amount not to exceed \$34,011.71; approving an amount not to exceed \$84,000.00 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; approving an amount not to exceed \$275,000.00 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; authorizing the President/Chief Executive Officer to pay to the City of San Antonio an amount not to exceed \$359,000.00 for the project work and related construction contingencies. Located in Council District 2. Total expenditures are: \$359,000.00. (KELLEY NEUMANN – CINDY KOVACIC)
20. A Resolution approving the expenditure of funds in the amount of \$150,400.43 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the Nakoma – U.S. 281 to Warfield Project; approving construction contingency expenses related to the project work in an amount not to exceed \$3,008.01; approving an amount not to exceed \$89,745.32 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; approving an amount not to exceed \$63,663.12 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; authorizing the President/Chief Executive Officer to execute an Advance Funding Agreement and to pay in advance to the City of San Antonio an amount not to exceed \$153,408.44 for the project work and related construction contingencies. Located in Council District 9. Total expenditures are: \$153,408.44. (KELLEY NEUMANN – CINDY KOVACIC)
21. A Resolution accepting the bid of Austin Caylor Utilities & Construction, Ltd., in the amount of \$166,014.61 for the U.S. Highway 90 @ Old Highway 90 Project; awarding a construction contract to Austin Caylor Utilities & Construction, Ltd., in the amount of \$166,014.61 for the project work; approving the expenditure of funds in the amount of \$166,014.61 for the project work; approving construction contingency expenses in an amount not to exceed \$16,605.39 in connection with the project work; approving an amount not to exceed \$166,410.00 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; approving an amount not to exceed \$16,210.00 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; authorizing the President/Chief Executive Officer to execute a construction contract with Austin Caylor Utilities & Construction, Ltd., and to pay Austin Caylor Utilities & Construction, Ltd., an amount not to exceed \$182,620.00 for the project work and related construction contingencies. Located in Council Districts 4 and 6. Total expenditures are: \$182, 620, 00. (KELLEY NEUMANN – CINDY KOVACIC)

22. A Resolution approving the expenditure of funds in the amount of \$368,400.00 for the adjustment of water and sewer facilities by Bexar County in connection with the Bulverde Road Phase III: Evans to Marshal Project; approving construction contingency expenses related to the project work in an amount not to exceed \$37,400.00; approving an amount not to exceed \$1,000.00 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; approving an amount not to exceed \$405,000.00 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; authorizing the President/Chief Executive Officer to execute the Interlocal Agreement and to pay in advance to Bexar County a total amount not to exceed \$406,000.00 for the project work and related construction contingencies. Total expenditures are: \$406,000.00.
(KELLEY NEUMANN – CINDY KOVACIC)

Professional Services

23. A Resolution ratifying the actions of the Vice-President of Facilities Engineering & Construction in approving Contract Amendment No. 1 in an amount not to exceed \$24,000.00 in connection with the Woodlake Parkway: Binz-Engleman to FM 78 Project; amending Resolution No. 05-433 by approving additional expenditures in an amount not to exceed \$24,000.00 for additional engineering design services by CH2M Hill in connection with the Woodlake Parkway: Binz-Engleman to FM 78 Project; approving that an additional amount not to exceed \$24,000.00 be made available and expended from the System's Project Fund for the additional water engineering design services; authorizing the President/Chief Executive Officer to execute Contract Amendment No. 1 and to pay CH2M Hill an additional amount not to exceed \$24,000.00 for the additional engineering design services in connection with the contract. Total expenditures are: \$24,000.00.
(KELLEY NEUMANN –CINDY KOVACIC)
24. A Resolution approving Contract Amendment No. 1 in an amount not to exceed \$43,589.00 in connection with the San Fernando Sewer and Water Main Replacement, Phase III Project; amending Resolution No. 05-225, by approving additional expenditures in an amount not to exceed \$43,589.00 for design and construction phase engineering services by Fernandez, Frazer, White & Associates, Inc., in connection with the San Fernando Sewer & Water Main Replacement, Phase III Project; approving an amount not to exceed \$10,237.00 be made available and expended from the System's Project Fund for the water related design and construction phase engineering services; approving that an amount not to exceed \$33,352.00 be made available and expended from the System's Project Fund for the sewer related design and construction phase engineering services; authorizing the President/Chief Executive Officer to pay Fernandez, Frazer, White & Associates, Inc., an additional amount not to exceed \$43,589.00 for the design and construction phase engineering services in connection with the project. Located in Council District 5. Total expenditures are: \$43,589.00. (KELLEY NEUMANN –FRANCES PLOCEK)
25. A Resolution ratifying Contract Amendment No. 1 in an amount not to exceed \$52,000.00 in connection with the 2007 Engineering Design Services - Replacements and Improvements, Contract I; amending Resolution No. 07-086 by ratifying additional expenditures in an amount not to exceed \$52,000.00 for additional engineering design services by GGI Engineers, Inc., in connection with the 2007 Engineering Design Services - Replacements and Improvements, Contract I; approving that an additional amount not to exceed \$52,000.00 be made available and

expended from the System's Project Fund for the water related additional engineering design services; authorizing the President/Chief Executive Officer to execute Contract Amendment No. I and to pay GGI Engineers, Inc., an additional amount not to exceed \$52,000.00 for the additional engineering design services in connection with the contract. Total expenditures are: \$52,000.00.
(KELLEY NEUMANN –FRANCES PLOCEK)

- (WBE) 26. A Resolution accepting the proposal of and awarding a professional services contract to Vickrey & Associates, Inc., in an amount not to exceed \$500,000.00 for the 2007 Engineering Design Services – Replacements and Improvements, Contract V; approving the expenditure of funds in an amount not to exceed \$300,000.00 from the System's Project Fund for the sewer project engineering work; approving the expenditure of funds in an amount not to exceed \$200,000.00 from the System's Project Fund for the water project engineering work; authorizing the President/Chief Executive Officer to execute a professional services contract with Vickrey & Associates, Inc., and to pay Vickrey & Associates, Inc., an amount not to exceed \$500,000.00 for the project engineering work. Total expenditures are: \$500,000.00.
(KELLEY NEUMANN –FRANCES PLOCEK)
27. A Resolution ratifying the actions of the Vice-President of Facilities Engineering & Construction in approving Contract Amendment No. 1 in the amount of \$62,426.47 in connection with the Utility Acquisition and Integration – Evaluation and Upgrade Design Project; amending Resolution No. 02-170 by approving additional expenditures in an amount not to exceed \$62,426.47 for additional engineering services by Bain Medina Bain, Inc., in connection with the Utility Acquisition and Integration – Evaluation and Upgrade Design Project; approving an amount not to exceed \$33,007.49 be made available and expended from the System's Project Fund for the water related engineering services; approving that an amount not to exceed \$29,418.98 be made available and expended from the System's Project Fund for the sewer related engineering services; authorizing the President/Chief Executive Officer to execute Contract Amendment No. 1 and to pay Bain Medina Bain, Inc., an additional amount not to exceed \$62,426.47 for the additional engineering services in connection with the project. Total expenditures are: \$62,426.47.
(KELLEY NEUMANN –FRANCES PLOCEK)

Water and Sewer Line Improvements

28. A Resolution approving Recapitulation Change Order No. 5 in the decreased amount of \$207,964.26 to the construction contract with Pronto Sandblasting & Coating & Oil Field Service in connection with the San Fernando Water and Sewer Main Replacement, Phase II Project; authorizing the return of funds in the amount of \$207,964.26 and the construction contingency of \$57,488.98 for a total amount of \$265,453.24 to the Project Fund; authorizing the President/Chief Executive Officer to execute Recapitulation Change Order No. 5 and to close the contract. Decreased amount is \$207,964.26, bringing the total project cost to: \$1,938,580.24.
(KELLEY NEUMANN –FRANCES PLOCEK)

WATER RESOURCES PROJECTS

29. A Resolution authorizing the expenditure of funds in an amount not to exceed \$321,459.85 for electrical construction services in connection with the Carrizo Aquifer Storage and Recovery Program, Phase II Well Addition Project – Wellfield Construction Package to City Public Service Energy; authorizing the additional expenditure of funds in an amount not to exceed \$321,459.85 from the System's Project

Fund for the project work; authorizing the President/Chief Executive Officer to pay City Public Service Energy an amount not to exceed \$321,459.85 for the project work. Total expenditures are: \$321,459.85. (JANELLE OKORIE – CALVIN FINCH)

30. A Resolution accepting the bid of Alsay Incorporated in the amount of \$394,740.00 to drill one monitor well associated with the “Saline Water” Study; awarding a contract in the amount of \$394,740.00 to Alsay Incorporated for the project work; authorizing the expenditure of funds in an amount not to exceed \$394,740.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$7,895.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$402,635.00 from the System’s Project Fund for the project work and construction contingency expenses; authorizing the President/Chief Executive Officer to execute a contract with Alsay Incorporated and to pay Alsay Incorporated the amount of \$394,740.00 for the project work. Total expenditures are: \$394,740.00. (JANELLE OKORIE – CALVIN FINCH)

MISCELLANEOUS PROJECTS

31. A Resolution accepting the Best Value Bid of Ace Pipe Cleaning, Inc., to provide sewer line cleaning and inspection services in an amount of \$349,325.00 per year; awarding a two-year contract with three one-year extension options to Ace Pipe Cleaning Inc., in connection with the Small Diameter Sanitary Sewer Cleaning and Inspection Project in an amount of \$349,325.00 per year; authorizing the expenditure of funds in an amount of \$349,325.00 per year for cleaning and inspection services from the System Fund for the project work; approving contingency expenses of \$87,000.00 in connection with the project work; approving an amount not to exceed \$436,325.00 be made available from the System Fund in Fiscal Year 2007 for the project work and related contingency expenses and that future year’s expenditures shall be authorized to be made pursuant to and contingent upon the appropriations made in the annual budgets approved by the board with a line item for such expenditures; authorizing the President/Chief Executive Officer or his duly appointed designee to execute a two-year service contract with three one-year extension options with Ace Pipe Cleaning, Inc., and to pay Pipe Cleaning, Inc., an amount not to exceed \$436,325.00 per year for cleaning and inspection services for the project work and related contingency expenses;. Total expenditures are: \$436,325.00. (VAL RUIZ – ART DIETEL)

Professional Services

32. A Resolution accepting the proposal of Tetra Tech, Inc., in an amount not to exceed \$382,040.00 for the 2008 Water Production Facility Painting and Rehabilitation Project; awarding a professional services contract to Tetra Tech, Inc., in an amount not to exceed \$382,040.00 for engineering services in connection with this project; authorizing the expenditure of funds in an amount not to exceed \$382,040.00 from the System’s Project Fund for the project engineering services in connection with this project; authorizing the President/Chief Executive Officer to execute a professional services contract with Tetra Tech, Inc., and to pay Tetra Tech, Inc., an amount not to exceed \$382,040.00 for project engineering services in connection with the project. Total expenditures are: \$382,040.00. (KELLEY NEUMANN - ASHOK KAJI)

EASEMENTS AND REAL PROPERTY

33. A Resolution declaring certain real property consisting of 2.018 acres (“tract one”) out of Lot A9, NCB A20, located in the City of San Antonio, Bexar County, Texas, and 0.956 acres (“tract two”) out of NCB A-20 located in the City of San Antonio, Bexar County, Texas to be surplus to the needs of the San Antonio Water System as required by City Ordinance No. 75686, recommending that the San Antonio Planning Commission and City Council consent to such declaration, as required by City Ordinance No. 75686; authorizing the President/Chief Executive Officer or his designated representative to dispose of said properties pursuant to Chapter 272 of the Local Government Code and applicable City of San Antonio and System policies and procedures.
(MIKE BRINKMANN – BRUCE HABY)
34. A Resolution declaring a public necessity for the acquisition of certain privately owned real property interests in the City of San Antonio, Bexar County, Texas, as described herein below (“the property”) by negotiation and/or condemnation if necessary, for the public purpose of the expansion and operation of the water system through the construction of the General McMullen Tank Site (“the project”); requesting that the City Council of the City of San Antonio (“Council”): (i) adopt an Ordinance reaffirming and declaring that the project is for a public purpose and a 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 the eminent domain proceedings, if necessary; providing and approving funding for the project. The property to be acquired consists of fee title and temporary easements affecting certain land in the area of west central Bexar County, near the intersection of North General McMullen and Ruiz Street: out of a portion of Lot 6 La Posada Health Care Subdivision per Plat recorded in Volume 9529, Page 29, and portion of Lot 9, Antonio Castillo Subdivision recorded in Volume 9554, Page 167, both recorded in Deed and Plat Records of Bexar County, Texas, and situated in NCB 9026.
(MIKE BRINKMANN – BRUCE HABY)

Water Resources

35. A Resolution approving a Water Sales Agreement between the San Antonio Water System and John R. Rossow, providing for the sale of 37.348 acre-feet of water out of 37.348 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 Producers Price Index and the Consumers Price Index from the previous year as well as a right of first refusal for the purchase of 37.348 surface acres; approving the expenditure of funds for the System’s obligation under the Water Sales Agreement from the Water Supply Fee Revenues of the Project Fund; approving the payment of \$3,734.80 to John R. Rossow and \$3,500.00 in closing costs; authorizing the President/Chief Executive Officer to execute the Water Sales Agreement with John R. Rossow, 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: \$3,734.80 and \$3,500.00 in closing costs in closing costs. (JANELLE OKORIE – CALVIN FINCH)
36. A Resolution approving a Water Sales Agreement between the San Antonio Water System and Darlyne Lowman and Don Rossow, providing for the sale of 37.349 acre-feet of water out of 37.349 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 Producers Price Index and the Consumers Price Index from the previous year as well as a right of first refusal for the purchase of 37.349 surface acres; approving the expenditure of funds for the System's obligation under the Water Sales Agreement from the Water Supply Fee Revenues of the Project Fund; approving the payment of \$3,734.90 to Darlyne Lowman and Don Rossow and \$3,500.00 in closing costs; authorizing the President/Chief Executive Officer to execute the Water Sales Agreement with Darlyne Lowman and Don Rossow, 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: \$3,734.90 and \$3,500.00 in closing costs.
(JANELLE OKORIE – CALVIN FINCH)

37. A Resolution approving a lease with CPS Energy of 960 square feet at 4919 East Houston, San Antonio, TX 78223 for a Backup Data Center for municipal utility purpose with CPS Energy ["lease"]; approving an amount not to exceed \$24,000.00 per year plus the System's pro rata share of the maintenances and utility expenses for each year of the initial 10-year term of the lease; approving an amount not to exceed \$500,000.00 for the System's pro rata share of the capital improvement; authorizing the expenditure from the System Fund of a total amount not to exceed \$500,000.00; authorizing the President/Chief Executive Officer or his designated representative to execute the lease and to pay to CPS Energy the total amount not to exceed \$500,000.00 for capital improvements and to pay the amount not to exceed \$24,000.00 per year plus the System's pro rata share of maintenance and utility expenses for each Fiscal Year of the term of the lease upon approval of a budget for such Fiscal Year with a line item for such expenditure. Total expenditures are: \$500,000.00 for capital improvements and an amount not to exceed \$24,000.00 per year plus the System's pro rata share of maintenance and utility expenses for each Fiscal Year.
(STACEY ISENBERG - JOE SAMPLES)

FINANCIAL ITEMS

38. A Resolution authorizing the funding and execution of the third year of a three year contract with Padgett, Stratemann & Co., L.L.P., in an amount not to exceed \$177,500.00 for independent audit services; authorizing expenditures for Fiscal Year 2007 from the System Fund; authorizing the President/Chief Executive Officer to execute the third year of a three year contract with Padgett, Stratemann & Co., L.L.P., and to pay Padgett, Stratemann & Co., L.L.P., an amount not to exceed \$177,500.00 for independent audit services. Total expenditures are: \$177,500.00.
(DOUG EVANSON)

MISCELLANEOUS ITEMS

39. A Resolution accepting the bid of and awarding a purchasing contract to Peerless Equipment, Ltd., in an amount not to exceed \$121,250.00 to furnish a new 1,000 hp induction motor designated as Wurzbach Well Pump #4; authorizing the expenditure of funds in an amount not to exceed \$121,250.00 from the System Fund; authorizing the President/Chief Executive Officer or his designated representative to execute a purchasing contract with Peerless Equipment, Ltd., and to pay Peerless Equipment, Ltd., an amount not to exceed \$121,250.00 to furnish a new 1,000 hp induction motor designated as Wurzbach Well Pump #4. Total expenditures are: \$121,250.00.
(STEVE CLOUSE – PHIL COOK)

40. A Resolution accepting the bid of and awarding a purchasing contract to Peerless Equipment, Ltd., in an amount not to exceed \$144,180.00 for the replacement of a 7,000 gpm vertical turbine pump designated as Anderson Well Pump #5, 410 linear feet of stainless steel shafting, and 41 each stainless steel shaft couplings; authorizing the expenditure of funds in an amount not to exceed \$144,180.00 from the System Fund; authorizing the President/Chief Executive Officer or his designated representative to execute a purchasing contract with Peerless Equipment, Ltd., and to pay Peerless Equipment, Ltd., an amount not to exceed \$144,180.00 for the replacement of a 7,000 gpm vertical turbine pump, 410 linear feet of stainless steel shafting, and 41 each stainless steel shaft couplings. Total expenditures are: \$144,180.00. (STEVE CLOUSE – PHIL COOK)

ITEMS FOR INDIVIDUAL CONSIDERATION

FINANCIAL ITEMS

41. A Resolution ratifying the professional services contract with Park E. Pearson, CPA, to serve as the Board's Independent Auditor and provide an additional independent level of audit services to the Board in a total amount not to exceed \$40,000.00. (MIKE LACKEY)

HUMAN RESOURCES ITEMS

42. A Resolution accepting a proposal to adopt new guidelines for eligibility and cost sharing for retiree medical benefits in order to address Governmental Accounting Standards Board (GASB) Statement 45; authorizing the President/Chief Executive Officer to approve the implementation of new guidelines for eligibility and cost sharing for retiree medical benefits in order to address GASB Statement 45 in Fiscal Year beginning January 1, 2007. (JERRY BAILEY)

MISCELLANEOUS ITEMS

43. A Resolution authorizing the President/Chief Executive Officer or his designated representative(s) to negotiate and execute all documents necessary to effectuate real estate related agreements, contracts, leases or other real estate related obligations having values in the amount of up to \$50,000.00. (MIKE BRINKMANN – BRUCE HABY)
44. A Resolution accepting the proposals of and awarding professional services contracts to these individual firms: Baker Botts L.L.P., J.E. "Buster" Brown, and Marc Rodriguez in the total amount not to exceed \$509,000.00, for legislative consultant services for the period beginning January 1, 2008 and going through December 31, 2009 with an option for the President/Chief Executive Officer to extend for an additional 24 months at the end of the term; authorizing funds for Fiscal Years 2008 and 2009 to be made pursuant to and contingent upon the appropriations made in the annual budgets approved by the Board with a line item for such expenditures in the total amount not to exceed \$509,000.00 for these individual firms: Baker Botts L.L.P., J.E. "Buster" Brown, and Marc Rodriguez, in the amounts not to exceed \$170,000.00, \$174,000.00 and \$165,000.00 respectively in connection with these services; authorizing the President/Chief Executive Officer to execute the contracts with Baker Botts L.L.P., J.E. "Buster" Brown, and Marc Rodriguez, in the amounts not to exceed \$170,000.00, \$174,000.00 and \$165,000.00 respectively for the period beginning January 1, 2008 and going through December 31, 2009; authorizing the President/Chief Executive Officer to pay the following amounts not to exceed \$170,000.00, \$174,000.00 and \$165,000.00 to Baker Botts L.L.P., J.E.

“Buster” Brown, and Marc Rodriguez, respectively in connection with these services for the period beginning January 1, 2008 and going through December 31, 2009. Total expenditures are:\$509,000.00. (GREG FLORES)

- 45. A Resolution accepting bids and awarding contracts for the procurement of certain equipment; authorizing expenditures to procure the said equipment; authorizing the Manager of the Purchasing Division, or his designee, to execute documents related thereto. Total expenditures are: \$5,900,000.00. (MIKE BRINKMANN)**

CAPITAL IMPROVEMENT CONTRACTS REPLACEMENT PROJECTS

Water and Sewer Line Improvements

- 46. A Resolution authorizing the President/Chief Executive Officer to negotiate and execute an Interlocal Agreement with the San Antonio River Authority for the project work in connection with the San Antonio River Improvements Historic Mission Reach Phase I Project. (KELLEY NEUMANN – CINDY KOVACIC)**
- 47. A Resolution accepting the bid of Holloman Corporation in the amount of \$2,169,165.00 for the San Antonio River Improvements Historic Mission Reach Phase I Project; awarding a construction contract to Holloman Corporation in the amount of \$2,169,165.00 for the project work; approving the expenditure of funds in the amount of \$2,169,165.00 for the project work; approving construction contingency expenses in an amount not to exceed \$108,458.25 in connection with the project work; approving an amount not to exceed \$1,784,638.80 be made available and expended from the System’s Project Fund for the sewer project work and related construction contingencies; approving an amount not to exceed \$492,984.45 be made available and expended from the System’s Project Fund for the water project work and related construction contingencies; authorizing the President/Chief Executive Officer to execute a construction contract with Holloman Corporation and to pay Holloman Corporation an amount not to exceed \$2,277.623.25 for the project work and related construction contingencies. Located in Council District 3. Total expenditures are: \$2,277.623.25. (KELLEY NEUMANN – CINDY KOVACIC)**

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Production, Transmission and Treatment Improvements

- 48. A Resolution accepting the bid of S.J. Louis Construction of Texas, Ltd., in the amount of \$5,161,015.59 for the Talley Road (FM 471 to Ray Lieck Road) Project; awarding a construction contract to St. Louis Construction of Texas, Ltd., in the amount of \$5,161,015.59 for the project work; approving the expenditure of funds in the amount of \$5,161,015.59 for the project work; approving construction contingency expenses in an amount not to exceed \$103,221.00 in connection with the project work; approving an amount not to exceed \$5,264,236.59 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 \$5,264,236.59 for the project work and related construction contingencies. Total expenditures are: \$5,264,236.59. (KELLEY NEUMANN – FRANCES PLOCEK)**

Developer Customer Contracts

49. A Resolution accepting the bid of S.J. Louis Construction of Texas, Ltd., in the amount of \$1,827,593.39 for the construction of the 10-inch, 15-inch, 18-inch, and 36-inch sanitary sewer mains in connection with the Alamo Ranch/Medio Creek South Sanitary Sewer Outfall Project; awarding a construction contract to S.J. Louis Construction of Texas, Ltd., for the project work; authorizing the expenditure of System funds in the amount of \$1,435,925.49 for the System's proportionate share of the project work and engineering design fees; authorizing the System's proportionate share of the construction contingency expenses in an amount not to exceed \$36,551.87 in connection with the project work; authorizing a total amount not to exceed \$1,472,477.35 from System's 2007 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 Pulte Homes of Texas, L.P., and S.J. Louis Construction of Texas, Ltd., and provide payment in an amount not to exceed \$1,472,477.35 to S.J. Louis Construction of Texas, Ltd., in care of Pulte Homes of Texas, L.P., for the System's proportionate share of the cost to oversize the proposed sanitary sewer mains. Total expenditures are: \$1,472,477.35. (KELLEY NEUMANN – SAM MILLS)
50. A Resolution accepting the bid of Cash Construction Co., Ltd., in the amount of \$1,959,965.40 for the construction of the 30-inch water main in connection with the Bloomfield Hills 30-Inch Oversize Border And 30-Inch Oversize Approach Water Main Project; awarding a construction contract to Cash Construction Co., Ltd., for the project work; authorizing the expenditure of System funds in the amount of \$1,811,008.03 for the System's proportionate share of the project work and engineering design fees; authorizing the System's proportionate share of the construction contingency expenses in an amount not to exceed \$39,199.31 in connection with the project work; authorizing a total amount not to exceed \$1,850,207.34 from the System's 2007 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 Monte Cristo Developers, LLC, and Cash Construction Co., Ltd., and provide payment in an amount not to exceed \$1,850,207.34 to Cash Construction Co., Ltd., in care of Monte Cristo Developers, LLC, for the System's proportionate share of the cost to oversize the proposed water mains. Total expenditures are: \$1,850,207.34. (KELLEY NEUMANN – SAM MILLS)
51. **BRIEFING SESSION.**
- A. Briefing and deliberation regarding SAWS' Enterprise Resource Software System Program Quarterly Report.
(STACEY ISENBERG – VERONICA GODLEY)
- B. Briefing and deliberation regarding the proposed Annual Budget for the Fiscal Year ending December 31, 2008. (DOUG EVANSON)
52. Chairman of the Board's Initiative.
53. President/Chief Executive Officer's Report.
54. Inquiries.

55. The Regular Session of the October 2, 2007 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.
56. **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 Cause No. 2004-CI-07327; *Michael Sarabia and Gloria Valadez v. The City of San Antonio and the San Antonio Water System Board of Trustees*, in the 408th Judicial District Court, Bexar County, Texas. (FRANK STENGER-CASTRO – BILL CROW)
 - C. Consultation with attorneys and deliberation regarding legal issues relating to matters in anticipation of potential litigation, including matters related to the SAWS Market Street Pump Station On-Site Hypochlorite Generation Project, Job No. 05-6006. (FRANK STENGER-CASTRO - SCOTT OLIVER)
 - D. Consultation with attorneys and deliberation regarding the purchase and value of real property for the Brackish Groundwater Desalination Program and consultation with attorneys regarding legal matters related to the acquisition of real property in support of the Brackish Groundwater Desalination Program. (FRANK STENGER-CASTRO – NANCY BELINSKY)
 - 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 57th Judicial District Court, Bexar County, Texas. (FRANK STENGER-CASTRO – NANCY BELINSKY)
 - F. 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)
57. The Regular Session of the Regular Board Meeting of October 2, 2007, is hereby reconvened.
58. A Resolution approving the Settlement and/or Assignment of the Agreement between SAWS and Greystar EIG regarding the contract for the SAWS Market Street Pump Station On-Site Hypochlorite Generation Project, Job No. 05-6006. (FRANK STENGER-CASTRO - KELLEY NEUMANN)
59. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF OCTOBER 2, 2007, IS HEREBY ADJOURNED.