

AGENDA

MEETING OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

Tuesday, February 5, 2008, 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 January 8, 2008.**
4. **Ceremonial Items.**
 - A. **Recognition of the accomplishments made by SAWS' Community Activities Team. (GREG FLORES – STEPHANIE BOCANEGRA)**
 - B. **Recognition of Twin Oaks Aquifer Storage and Recovery Facility as recipient of the "Outstanding Ground Water Project" award from the National Ground Water Association. (JANELLE OKORIE - STEVE CLOUSE)**
5. **BRIEFING SESSION**
 - A. **Briefing and deliberation regarding the 2007 accomplishments of the Community Conservation Committee. (DON WEISS, CCC CHAIRMAN)**

**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.

ITEMS FOR INDIVIDUAL CONSIDERATION

6. A Resolution appointing Ian Wellborne as the Chairperson of the 2008 Community Conservation Committee for a one-year term expiring December 31, 2008; appointing the Community Conservation Committee's new members for a two-year term expiring December 31, 2009; and reappointing returning members for staggered terms ending no later than December 31, 2009.
(JANELLE OKORIE – KAREN GUZ)
7. Citizens to be Heard.
8. Board of Trustees - Committee Reports.
 - A. Audit and Finance Committee.
 - B. Planning and Operations Committee.
 - C. Water Resources Committee.

CONSENT AGENDA ITEMS

Items 9– 37

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

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 not located over the Edwards Aquifer Recharge or Contributing Zone. (KELLEY NEUMANN – SAM MILLS)

No.	Tract Name	Developer Name	Acreage	Water EDUs	WW EDUs	No.
1	Guajolote	Guajolote Ranch, Inc.	1,097	1,000	0	1
2	Quiet Creek	Be Homes LLC/Flotex Developers LLC	215.36	613	0	2
3	Verano (South San Antonio Campus of Texas A&M)	Verano Land Group, LP	2,659	909	21,558	3
4	Wolf Creek Retail	Concord West Corporation	53.82	0	216	4
Totals			<u>4,025</u>	<u>2,522</u>	<u>21,774</u>	
Year-to-Date Totals (January - February 2008)			<u>4,333</u>	<u>3,058</u>	<u>22,771</u>	

10. 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. (KELLEY NEUMANN – SAM MILLS)

No.	Tract Name	Developer Name	Acreeage	Water EDUs	WW EDUs	Board Reason	Category Determination
1	Fixed Income Securities II	Phoenix Commercial Construction	3.48	7	9	EARZ	Contributing, Not Recharge
2	Hicks Property	Jerry and Esther Hicks	18	25	25	OVR/EARZ	Contributing, Not Recharge
3	Ranch at Iron Horse	Pulte Homes of Texas, LP	81	86	86	AC/EARZ	3
4	Staybridge Suites	Richardo Romero Garcia	2.68	35	63	EARZ	1
5	Stone Oak 281 Subdivision	Crosswinds I Partnership, Ltd.	3.58	0	39	EARZ	1
Totals			<u>109</u>	<u>153</u>	<u>222</u>		
Year-to-Date Totals (January-February 2008)			<u>280</u>	<u>771</u>	<u>863</u>		

11. A Resolution approving a partial reimbursement in the amount of \$3,313.00 to F.C. Properties One Ltd., for the Stone Oak One On-Site Oversize Improvements as required by the Third Addendum to the Mud Creek Participation Agreement, pursuant to City of San Antonio Ordinance No. 71800; authorizing the expenditure of \$3,313.00 from the System Fund Service Recovery Account within the System Fund Renewal and Replacement Fund for such reimbursement; authorizing the President/Chief Executive Officer to pay such partial reimbursement in the amount of \$3,313.00 to F.C. Properties One Ltd., for the Stone Oak One On-Site Oversize Improvements. Total expenditures are: \$3,313.00. (KELLEY NEUMANN – SAM MILLS)

Production, Transmission and Treatment Improvements

12. A Resolution approving Change Order No. 5 in the amount of \$51,445.00 in connection with the Medio Creek Water Recycling Center Expansion Project; approving total payment in the amount of \$51,445.00 to Pepper-Lawson Construction, L.P., for the additional project work associated with Change Order No. 5; authorizing the additional expenditure of funds in the amount of \$51,445.00 for Change Order No. 5 from the project construction contingency fund; authorizing the President/Chief Executive Officer to execute Change Order No. 5, and to pay Pepper-Lawson Construction, L.P., the additional sum of \$51,445.00 from the project construction contingency fund for the additional project work associated with Change Order No. 5. Total expenditures are: \$51,445.00. (KELLEY NEUMANN – ASHOK KAJI)

REPLACEMENT PROJECTS

Professional Services

13. A Resolution ratifying the actions of the Vice-President of Facilities Engineering & Construction in approving Contract Amendment No. 1 in the amount of \$8,520.00 in connection with the Rip Rap #69, Phase IID Project; amending Resolution No. 06-301

by approving additional expenditures in an amount not to exceed \$8,520.00 for additional engineering design services by Bain Medina Bain, Inc., in connection with the Rip Rap #69, Phase IID Project; approving that an additional amount not to exceed \$8,520.00 be made available and expended from the System's Project Fund for the additional engineering design 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 \$8,520.00 for the additional engineering design services in connection with the project. Located in Council District 5. Total expenditures are: \$8,520.00. (KELLEY NEUMANN – CINDY KOVACIC)

14. A Resolution ratifying the actions of the Vice-President of Facilities Engineering & Construction in approving Contract Amendment No. 2 in the amount of \$10,000.00 in connection with the Woodlake Parkway: Binz-Engleman to F.M. 78 Project; amending Resolution No. 05-433, as previously amended by Resolution No. 07-311, by approving additional expenditures in an amount not to exceed \$10,000.00 for the additional engineering design services by CH2M Hill, Inc., in connection with the Woodlake Parkway: Binz-Engleman to F.M. 78 Project; approving that an additional amount not to exceed \$10,000.00 be made available and expended from the System's Project Fund for the additional engineering design services; authorizing the President/Chief Executive Officer to execute Contract Amendment No. 2 and to pay CH2M Hill, Inc., an additional amount not to exceed \$10,000.00 for the additional engineering design services in connection with the project. Total expenditures are: \$10,000.00. (KELLEY NEUMANN – CINDY KOVACIC)

Governmental Relocations and Replacements

15. A Resolution amending Resolution No. 06-365 by approving the expenditure of additional funds in an amount not to exceed \$140,000.00 payable to Bexar County for additional construction contingency expenses in connection with the Woodlake Parkway: Binz-Engleman to F.M. 78 Project; approving an additional amount not to exceed \$140,000.00 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 & Construction in approving Change Order No. 1 in the amount of \$176,051.29; authorizing the President/Chief Executive Officer to pay to Bexar County an additional amount not to exceed \$140,000.00 for the additional project work and additional construction contingency expenses. Total expenditures are: \$140,000.00. (KELLEY NEUMANN – CINDY KOVACIC)
16. A Resolution amending Resolution No. 07-006, as amended by Resolution No. 07-354, by approving the expenditure of additional funds in an amount not to exceed \$370,000.00 payable to Bexar County for additional construction contingency expenses in connection with the Braun Road: Loop 1604 To F.M. 1560 Project; approving an additional amount not to exceed \$370,000.00 be made available from the System's Project Fund for the additional construction contingency expenses; ratifying the actions of the Vice-President of Facilities Engineering & Construction in approving Change Order No. 1 in the amount of \$354,406.40; authorizing the President/Chief Executive Officer to pay to Bexar County an additional amount not to exceed \$370,000.00 for the additional project work and additional construction contingency expense. Total expenditures are: \$370,000.00, bring total project cost to \$387,028.63. (KELLEY NEUMANN – CINDY KOVACIC)
17. A Resolution approving Final Recapitulation Change Order No. 3 in the decreased amount of \$107,908.77 to the construction contract with Pronto Sandblasting & Coating in connection with the Aransas: Pine to New Braunfels Project; authorizing the return of

funds in the amount of \$107,908.77 and the construction contingency balance of \$85,682.80 for a total amount of \$193,591.57 to the Project Fund; authorizing the President/Chief Executive Officer to execute Final Recapitulation Change Order No. 3 and to close the contract. Located in Council District 2. Total returned amount is: \$107,908.77 and the construction contingency balance of \$85,682.80 for a final project cost of \$775,908.43. (KELLEY NEUMANN – CINDY KOVACIC)

18. A Resolution amending Resolution No. 07-353 by approving the expenditure of additional funds in an amount not to exceed \$30,995.00 payable to the City of San Antonio for additional construction contingency expenses in connection with the Broadway Corridor Phase I, Part II Project; approving an additional amount not to exceed \$30,995.00 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 & Construction in approving Change Order No. 1 in the amount of \$52,520.00; authorizing the President/Chief Executive Officer to pay the City Of San Antonio an additional amount not to exceed \$30,995.00 for the additional project work and additional construction contingency expenses. Located in Council District 2. Total expenditures are: \$30,995.00.
(KELLEY NEUMANN – CINDY KOVACIC)
19. A Resolution authorizing the President/Chief Executive Officer to execute an Interlocal Agreement with Bexar County in an amount not to exceed \$6,000.00 for the project work and related construction contingencies in connection with the Blanco Road: Glade Crossing to West Oaks Estates Project. Total expenditures are: \$6,000.00.
(KELLEY NEUMANN – CINDY KOVACIC)

WATER RESOURCES PROJECTS

20. A Resolution accepting the bid and awarding a contract to Peerless Equipment, Ltd., and authorizing expenditures which include the construction cost of \$209,500.00 and a two percent contingency cost of \$4,190.00 for a total amount not to exceed \$213,690.00 for the installation of a center pivot irrigation system at the Conrad Farm; authorizing the expenditure of an amount not to exceed \$213,690.00 from the Project Fund for the installation of a center pivot irrigation system at the Conrad Farm; authorizing the President/Chief Executive Officer or his designated representative to execute a contract with Peerless Equipment, Ltd., and to pay the amount not to exceed \$213,690.00 for the installation of a center pivot irrigation system at the Conrad Farm. Total expenditures are: \$213,690.00.
(JANELLE OKORIE – KAREN GUZ)
21. A Resolution accepting the bid and awarding a contract to Peerless Equipment, Ltd., and authorizing expenditures which include the construction cost of \$144,600.00 and a two percent contingency cost of \$2,892.00 for a total amount not to exceed \$147,492.00 for the installation of a center pivot irrigation system at the Lindenborn Farm; authorizing the expenditure of an amount not to exceed \$147,492.00 from the Project Fund for the installation of a center pivot irrigation system at the Lindenborn Farm; authorizing the President/Chief Executive Officer or his designated representative to execute a contract with Peerless Equipment, Ltd., and to pay the amount not to exceed \$147,492.00 for the installation of a center pivot irrigation system at the Lindenborn Farm. Total expenditures are: \$147,492.00.
(JANELLE OKORIE – KAREN GUZ)
22. A Resolution accepting the bid and awarding a contract to Peerless Equipment, Ltd., and authorizing expenditures which include the construction cost of \$113,800.00 and

a two percent contingency cost of \$2,276.00 for a total amount not to exceed \$116,076.00 for the installation of a center pivot irrigation system at the Walton Farm; authorizing the expenditure of an amount not to exceed \$116,076.00 from the Project Fund for the installation of a center pivot irrigation system at the Walton Farm; authorizing the President/Chief Executive Officer or his designated representative to execute a contract with Peerless Equipment, Ltd., and to pay the amount not to exceed \$116,076.00 for the installation of a center pivot irrigation system at the Walton Farm. Total expenditures are: \$116,076.00.
(JANELLE OKORIE – KAREN GUZ)

23. A Resolution accepting the bid and awarding a contract to Peerless Equipment, Ltd., and authorizing expenditures which include the construction cost of \$117,500.00 and a two percent contingency cost of \$2,350.00 for a total amount not to exceed \$119,850.00 for the installation of a center pivot irrigation system at the Mallard Farm; authorizing the expenditure of an amount not to exceed \$119,850.00 from the Project Fund for the installation of a center pivot irrigation system at the Mallard Farm; authorizing the President/Chief Executive Officer or his designated representative to execute a contract with Peerless Equipment, Ltd., and to pay the amount not to exceed \$119,850.00 for the installation of a center pivot irrigation system at the Mallard Farm. Total expenditures are: \$119,850.00.
(JANELLE OKORIE – KAREN GUZ)

24. A Resolution approving Change Order No. 2 resulting in an increase to the contract cost in an amount not to exceed \$25,877.00 for the construction contract with Garney Companies, Inc., in connection with the Local Carrizo Program Onsite Well Collection Project; authorizing the additional expenditure of funds in an amount not to exceed \$25,877.00 for the additional project work associated with Change Order No. 2 from the project construction contingency fund; authorizing the President/Chief Executive Officer to execute Change Order No. 2 and to pay an amount not to exceed \$25,877.00 to Garney Companies, Inc., in connection with Change Order No. 2. Total expenditures are: \$25,877.00, bringing the total amount to \$4,240,094.00.
(JANELLE OKORIE – CALVIN FINCH)

Professional Services

25. A Resolution further amending Resolution No. 03-432, as previously amended by Resolution No. 05-349, to provide for additional engineering services to the existing professional services contract with URS Corporation, in an amount not to exceed \$104,897.00 in connection with the Aquifer Storage and Recovery Program, Well Addition Project; approving additional expenditures in an amount not to exceed \$104,897.00; approving the expenditure of funds in an amount not to exceed \$104,897.00 from the System's Project Fund for additional engineering services; authorizing the President/Chief Executive Officer to execute an Amendment to the existing professional services agreement with URS Corporation and to pay URS Corporation an additional amount not to exceed \$104,897.00 for additional engineering services. Total expenditures are: \$104,897.00. (JANELLE OKORIE – CALVIN FINCH)

26. A Resolution amending Resolution No. 06-155, to provide for additional engineering services to the existing professional services contract with CH2M Hill, Inc., in an amount not to exceed \$481,136.00, which includes \$458,172.00 for additional engineering services, and \$22,964.00 for well drilling-inspection services in connection with the Local Carrizo Program Well Drilling and Well Field Project; approving additional expenditures for a total authorization not to exceed \$481,136.00; approving the expenditure of funds in an amount not to exceed \$481,136.00 from the System's Project

Fund for additional engineering services and well-drilling inspection services; authorizing the President/Chief Executive Officer to execute an Amendment to the existing professional services agreement with CH2M Hill, Inc., and to pay CH2M Hill, Inc., an additional amount not to exceed \$481,136.00 for additional engineering services and well-drilling inspection services. Total expenditures are: \$481,136.00.
(JANELLE OKORIE – CALVIN FINCH)

MISCELLANEOUS PROJECTS

Professional Services

27. A Resolution amending Resolution No. 03-191, as previously amended by Resolutions No. 04-427 and 07-146 by including additional scope to a previously authorized work under an engineering contract with Black & Veatch Corporation in an amount not to exceed \$105,000.00 for the Water Production Facilities Upgrade Phase 2 Project; amending the project work associated with the Water Production Facilities Upgrade Phase 2 Project to include additional services related to the Construction Manager At Risk Delivery Method for the Water Production Facilities Upgrade Phase 2 Project; authorizing the President/Chief Executive Officer to execute an amendment to the professional services contract with Black & Veatch Corporation and to pay Black & Veatch Corporation an amount not to exceed \$105,000.00 for engineering services. Total expenditures are: \$105,000.00. (KELLEY NEUMANN –ASHOK KAJI)
28. A Resolution accepting the proposal of Raba-Kistner Consultants, Inc., in the amount of \$200,000.00 for the 2008 environmental and archeological services in connection with Various Capital Improvement Program Projects; awarding a professional services contract to Raba-Kistner Consultants, 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 2008 environmental and archeological 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 Raba-Kistner Consultants, Inc., and to pay an amount not to exceed \$200,000.00 to Raba-Kistner Consultants, Inc., for the 2008 environmental and archeological services for these Capital Improvement Projects. Total expenditures are: \$200,000.00. (KELLEY NEUMANN –ASHOK KAJI)

EASEMENTS AND REAL PROPERTY

29. A Resolution declaring a public necessity for the acquisition of certain privately owned real property interests in the City of San Antonio, located near the intersection of North Pan Am Expressway and Seguin Road and ending at Rigsby Road and George Road in the southeast quadrant of Bexar County, Texas as described hereinbelow 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 Eastern Watershed Sewer Relief Line E-03 Project; requesting that the City Council of the City of San Antonio: (i) adopt an Ordinance reaffirming and declaring that the project is for a public purpose 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.

The property to be acquired consists of permanent and temporary easements as described below. (MIKE BRINKMANN – BRUCE HABY)

1.	Part of 18.684 acre tract out of an original 62.860 acre track conveyed to Gembler Road corporation by V.E. (Red) Barry et ux Lydia by deed recorded in Volume 4743, Page 449 of the Official Public Records of Real Property of Bexar County, Texas, and being in N.C.B. 10577, out of the G. Nunez O.S. 151, Abstract 548, C.B. 5096 Bexar County, Texas
2.	Part of 42.771 acre tract of out of the G. Nunez Survey No. 151, Abstract No. 548, New City Block 10677, San Antonio, Bexar County, Texas, being out of that Certain 60.177 acre parcel of land describe in the Special Warranty Deed recorded in Volume 6239, Page 1352 of the Official Public of Real Property of Bexar County, Texas.
3	Part of 0.053 acre out of the remainder of lot 15, Travis Realty Company Property Subdivision, recorded in Volume 4080, Page 135, Deed and Plat Records Bexar County, Texas
4	Part of 11.82 acre tract out of the 16,002 acre tract, out of New City Block 10578, as recorded by Deed in Volume 2825, Page 1767 of the Official Public Records of Real Property of Bexar County, Texas
5	Part of 12.129 acre situated in New City Block 10578 in the City of San Antonio, Bexar County, Texas, as shown in Volume 03605, Page 0961 of the Deed and Plat Record of Bexar County, Texas.
6.	Part of 84.120 acre tract, N.C.B. 10578, recorded in Volume 9761, Page 156, Official Public Records of Real Property of Bexar County, Texas
7.	Part of 12.89 acre tract recorded in Volume 10946, Page 1426, Official Public Records of Real Property of Bexar County, Texas
8.	Part of 2.880 acre tract of land out of the Northeast corner of lot 10, of the Kahn and Gray Subdivision, a subdivision of record in Volume 105, Page (s) 227 , New City Block 10747, of the Deed and Plat Records of Bexar County, Texas
9.	Part of 13.3640 acre tract commonly known as 1415 Creekview Drive, San Antonio, Bexar County, Texas, being more specifically describe as NCB 10583 BLK Lot F
10.	Part of 62.84 acre tract recorded in Volume 5916, Page 1548, Official Public Records of Real Property of Bexar County, Texas
11.	Part of 4.598 acre of land being the easterly portion of lot 11, Kahn and Gray's Subdivision, New City Block 10748 in the City of San Antonio, Bexar County, Texas as recorded in Volume 105, Page 227 of the Deed and Plat Records of Bexar County, Texas

30. A Resolution authorizing the President/Chief Executive Officer or his designated representative to negotiate and execute a Lease Agreement for the use of tower and ground space on 1.503 acres of land owned by Celltex Site Services, Ltd., said land being located at 3237 State Highway 97 east, in Floresville, Wilson County, Texas, to be used in support of the Regional Carrizo Project; authorizing the expenditure of \$6,300.00 from the System Fund for Fiscal Year 2008, and such other expenditures for subsequent years during the term of the lease upon approval of a budget for such fiscal years with a line item for such expenditure. Total amount returned: \$6,300.00. (MIKE BRINKMANN – BRUCE HABY)

WATER RESOURCES ITEMS

31. A Resolution rescinding a Water Sales Agreement between the San Antonio Water System and Wynelle Sheffield, providing for the removal of 113 acre-feet of water out of 113 surface acres from Gonzales County for the Gonzales Water Supply Project, authorizing the President/Chief Executive Officer to rescind the Water Sales Agreement with Wynelle Sheffield. (JANELLE OKORIE – CALVIN FINCH)
32. A Resolution approving a Water Sales Agreement between the San Antonio Water System and Gary E. and Barbara Asher, providing for the sale of 41.8 acre-feet of water out of 41.8 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 41.8 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 \$4,180.00 to Gary E. and Barbara Asher, and \$3,500.00 in closing costs; authorizing the President/Chief Executive Officer to execute the Water Sales Agreement with Gary E. and Barbara Asher, 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: \$4,180.00, and \$3,500.00 in closing costs. (JANELLE OKORIE – CALVIN FINCH)

33. A Resolution approving a Water Sales Agreement between the San Antonio Water System and Jack Parsonage, providing for the sale of 40.00 acre-feet of water out of 40.00 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 40.00 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 \$4,000.00 to Jack Parsonage, and \$3,500.00 in closing costs; authorizing the President/Chief Executive Officer to execute the Water Sales Agreement with Jack Parsonage, 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: \$4,000.00 and \$3,500.00 in closing costs. (JANELLE OKORIE – CALVIN FINCH)
34. A Resolution approving a one-year extension of a Memorandum of Agreement between the San Antonio Water System and the Texas Cooperative Extension Service for the purpose of completing an ongoing turf grass study to test established turfgrass varieties capable of surviving a drought period of at least 60 consecutive days; authorizing the President/Chief Executive Officer or his designee to execute a one-year extension of a Memorandum of Agreement with the Texas Cooperative Extension Service. (JANELLE OKORIE – KAREN GUZ)

HUMAN RESOURCES ITEMS

35. A Resolution authorizing the extension of the existing contract with Mercer Human Resources Consulting for a one and a half year period to provide consulting support for the System's self funded and insured employee benefits programs in an amount not to exceed \$400,000.00 from January 1, 2008 through June 30, 2009; authorizing expenditures in an amount not to exceed \$350,000.00 from the System Fund for consulting support for Fiscal Year 2008; authorizing expenditures in an amount not to exceed \$50,000.00 in Fiscal Year 2009 pursuant to and contingent upon Board approval of the 2009 budget with a line item for such expenditures; authorizing the President/Chief Executive Officer to further negotiate and execute an Amendment of the existing contract with Mercer Human Resources Consulting to provide for a one and a half year extension period for consulting support services and to pay Mercer Human Resources Consulting an amount not to exceed \$400,000.00 from January 1, 2008 through June 30, 2009. Total expenditures are: \$400,000.00. (JERRY BAILEY – NEIRA WHITE)

MISCELLANEOUS ITEMS

36. A Resolution approving the Third Amendment to the professional services contract with Hamby Associates to continue to facilitate an organizational review of the Board of Trustees and President/Chief Executive Officer in an additional amount not to exceed \$12,000.00; amending Resolution Nos. 06-073, 06-212, and 07-220 by approving additional expenditures in Fiscal Year 2008 in an amount not to exceed \$12,000.00 for additional professional services by Hamby Associates; authorizing that an amount not to exceed \$12,000.00 be made available and expended from the System Fund for Fiscal Year 2008 for the additional professional services by Hamby Associates; authorizing the Chairman or Vice Chairman of the Board of Trustees to execute the Third Contract Amendment and to pay Hamby Associates an additional amount not to exceed \$12,000.00 for the additional professional services. Total expenditures are: \$12,000.00. (CHAIRMAN BRISEÑO)
37. A Resolution accepting the bid of and awarding a contract to Responsive Environmental Solutions in an amount not to exceed \$90,000.00 for the handling, containment, collection, transportation, management, and disposal of hazardous and non-hazardous waste materials; authorizing the expenditure of funds in an amount not to exceed \$90,000.00 from the System Fund for the handling, containment, collection, transportation, management, and disposal of hazardous and non-hazardous waste materials; authorizing the President/Chief Executive Officer to execute a contract with Responsive Environmental Solutions, and to pay Responsive Environmental Solutions an amount not to exceed \$90,000.00 for the handling, containment, collection, transportation, management, and disposal of hazardous and non-hazardous waste materials. Total expenditures are: \$90,000.00. (STEVE CLOUSE – MEG CONNER)

ITEMS FOR INDIVIDUAL CONSIDERATION

MISCELLANEOUS ITEMS

38. A Resolution authorizing the expenditure of funds with Pencco, Inc., in an amount not to exceed \$1,700,000.00 for aqueous solution of ferrous sulfate for Fiscal Year 2008; authorizing the expenditure of funds in an amount not to exceed \$1,700,000.00 from the System Fund for Fiscal Year 2008; authorizing the President/Chief Executive Officer or his designated representative to pay Pencco, Inc., an amount not to exceed \$1,700,000.00 for aqueous solution of ferrous sulfate for Fiscal Year 2008. Total expenditures are: \$1,700,000.00. (STEVE CLOUSE – MEG CONNER)
39. A Resolution approving the Internal Audit Department's 2008 Audit Plan; further directing that the Internal Audit Department implement the 2008 Audit Plan. (MIKE LACKEY)
40. A Resolution approving a six-month extension to the professional services contract with Park E. Pearson, CPA, to serve as the Board's Independent Auditor and continue to provide an additional independent level of audit services to the Board; approving the expenditure of funds for the continuation of the Independent Auditor services in a total additional amount not to exceed \$100,000.00 from the System Fund; authorizing the Chairman of the Board to negotiate and execute an Amendment to the professional services contract with Park E. Pearson, CPA, for a six-month extension of the contract to continue to provide an additional independent level of audit services, and the System to pay Park E. Pearson, CPA, a total additional amount not

to exceed \$100,000.00 to serve as the Board's Independent Auditor and continue to provide an additional independent level of audit services to the Board. Park E. Pearson, CPA. Total expenditures are: \$100,000.00. (MIKE LACKEY)

41. BRIEFING SESSION.

A. Briefing and Deliberation regarding the SAWS' Small, Minority, and Woman Business Program outreach efforts for the Fourth Quarter and End of the Year 2007. (FRANK STENGER CASTRO - RUBEN SAENZ)

42. Chairman of the Board's Initiative.

43. President/Chief Executive Officer's Report.

44. Inquiries.

45. The Regular Session of the February 5, 2008, 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.

46. 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 status of impact fee related cases, including: a) Cause No. 2004-CI-15944, *Becker Road, Ltd., Campbellton Road, Ltd., and Vise Oaks, Ltd., v. City of San Antonio, Texas*, in the 150th Judicial District Court of Bexar County, Texas; b) Cause No. 2004-CI-03264, *VWC, LTD v. City of San Antonio, et al*, in the 225th District Court of Bexar County, Texas; c) Cause No. 2003-CI-05618, *Lakeside Joint Venture En Seguido Ltd., v. City of San Antonio, et al*, in the 57th District Court of Bexar County, Texas; and d) the appeal of Cause 2004-CI-07714 from the 57th District Court of Bexar County, Texas, Court of Appeals No. 04-04-00930-CV, *City of San Antonio, Texas, acting by and through its San Antonio Water System Board of Trustees v. Reed S. Lehman Grain, Ltd.*
(FRANK STENGER-CASTRO – KEITH MARTIN)

C. Consultation with attorneys and deliberation regarding Cause Nos. 2005-ED-149 and 150, *The City of San Antonio, acting by and through the San Antonio Water System v. F.C. Properties, Ltd., and F.C. Properties One, Ltd.*, In Probate Court Nos. 1 and 2, Bexar County, Texas.
(FRANK STENGER-CASTRO – NANCY BELINSKY)

D. Consultation with attorneys regarding Cause No. 2004-CI-07549 in the 225th Judicial District Court of Bexar County, Texas, styled Oscar C. Gordon v San Antonio Water System; Cause No.2004-CI-07550 in the 285th Judicial District Court of Bexar County, Texas, styled Filberto Colmenero and Melinda Colmenero v San Antonio Water System; Cause No. 2004-CI-07551 in the 288th Judicial District Court of Bexar County, Texas, styled Rumalda M. Rodriguez v San Antonio Water System; and Cause No.2005-CI-01587 in the 57th Judicial District Court of Bexar County, Texas, styled Frank W. Wiesehan and Mary Jane Wiesehan v San Antonio Water System.
(FRANK STENGER-CASTRO – STEVE KOSUB)

- E. Consultation with attorneys and deliberation regarding Cause No. 2006-CI-17738; styled *John Albert Hrcir, et al v. John Stuart Sitework, Ltd., et al*, in the 131st Judicial District Court, Bexar County, Texas.
(FRANK STENGER-CASTRO – JOE COLE)**
- 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)**

- 47. The Regular Session of the Regular Board Meeting of February 5, 2008, is hereby reconvened.**
- 48. A Resolution approving settlement of lawsuits for condemnation of interest in land near the intersection of Stone Oak Parkway and U.S. Highway 281 N., styled the City of San Antonio acting by and through the San Antonio Water System versus F.C. Properties, Ltd., and F.C. Properties One, Ltd.; approving the System's financial obligation under the Settlement; authorizing expenditures in the total amount of \$35,000.00 from the System Fund for purposes of the Settlement; authorizing the President/Chief Executive Officer or the System's General Counsel to execute all documents necessary to settle and dismiss the lawsuits and to pay \$35,000.00 to F.C. Properties One, Ltd. Total expenditures are: \$35,000.00. (FRANK STENGER-CASTRO – NANCY BELINSKY)**
- 49. A Resolution approving settlement of the lawsuit of Oscar C. Gordon against the San Antonio Water System, it's Trustees, and its General Counsel; approving the System's financial obligation under the Settlement; authorizing expenditures in the total amount of \$5,500.00 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 \$5,500.00 to Oscar C. Gordon and his attorneys, for the System's obligations under the terms of the Settlement Agreement. Total expenditures are: \$5,500.00. (FRANK STENGER-CASTRO – STEVE KOSUB)**
- 50. A Resolution approving settlement of the lawsuit of Filiberto Colmenero and wife, Melinda Colmenero against the San Antonio Water System, it's Trustees, and its General Counsel; approving the System's financial obligation under the Settlement; authorizing expenditures in the total amount of \$286,000.00 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 \$286,000.00 to Filiberto Colmenero and wife, Melinda Colmenero and their attorneys, for the System's obligations under the terms of the Settlement Agreement. Total expenditures are: \$286,000.00. (FRANK STENGER-CASTRO – STEVE KOSUB)**
- 51. A Resolution approving settlement of the lawsuit of Rumalda M. Rodriguez against the San Antonio Water System, it's Trustees, and its General Counsel; approving the System's financial obligation under the Settlement; authorizing expenditures in the total amount of \$168,000.00 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 \$168,000.00 to Rumalda M. Rodriguez and her attorneys, for the System's obligations under the terms of the Settlement Agreement. Total expenditures are: \$168,000.00.
(FRANK STENGER-CASTRO – STEVE KOSUB)**

52. **A Resolution approving settlement of the lawsuit of Frank W. Wiesehan and wife, Mary Jane Wiesehan against the San Antonio Water System, it's Trustees, and its General Counsel; approving the System's financial obligation under the Settlement; authorizing expenditures in the total amount of \$104,500.00 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 \$104,500.00 to Frank W. Wiesehan and wife, Mary Jane Wiesehan and their attorneys, for the System's obligations under the terms of the Settlement Agreement. Total expenditures are: \$104,500.00. (FRANK STENGER-CASTRO – STEVE KOSUB)**
53. **A Resolution approving settlement of the lawsuit of John Albert Hrcir, Jeanine Lee Hrcir and State Farm Lloyds, as subrogee of John Albert Hrcir and Jeanine Lee Hrcir vs. John Stuart Sitework, Ltd., a/k/a John Stuart Sitework, Inc.; Pape-Dawson Consulting Engineers, Inc.; Macina Bose Copeland & Associates, Inc.; and San Antonio Water System; approving the System's financial obligation under the Settlement; authorizing expenditures in the total amount of \$5,000.00 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 Agreements and to pay \$5,000.00 to John and Jeanine Hrcir and State Farm Lloyds for the System's obligations under the terms of the Settlement Agreements. (FRANK STENGER-CASTRO – JOE COLE)**
54. **Adjournment.**

THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF FEBRUARY 5, 2008, IS HEREBY ADJOURNED.