AGENDA
MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
May 18, 2015, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

1. MEETING CALLED TO ORDER.

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

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Policy and Planning Meeting of February 16, 2015.
   B. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of March 3, 2015.
   C. Approval of the Minutes of the San Antonio Water System Board of Trustees Policy and Planning Meeting of March 23, 2015.


5. Public Comment.

SAN ANTONIO WATER SYSTEM
HANDICAPPED ACCESSIBILITY STATEMENT
The San Antonio Water System Buildings and Meeting Rooms are accessible to individuals with disabilities. Accessible visitor parking spaces as well as the accessible entrance and ramp are located at the west side main entrance of the SAWS Headquarters Building, Tower I, 2800 U.S. Highway 281 North. Individuals with disabilities in need of auxiliary aids and services, including Deaf interpreters, must request such aids and services forty-eight (48) hours prior to the meeting. For assistance, contact the Board Administrator at 210-233-3690 or 711 (Texas Relay Service for the Deaf).
CONSENT AGENDA ITEMS

Items 6 – 27

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

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

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

1. Approving a one-time purchase from Grande Truck Center to provide:
   five (5) each 66,000 GVWR cab and chassis (single cab) trucks with
   installed 10 cubic yard, single engine, combination jet/vacuum sewer
   cleaning machines, Bid No. 15-15023, for a total of $1,846,795.00.

2. Approving a one-time purchase from Associated Supply Co., Inc. to
   provide: one (1) each four wheel drive rubber tire articulated loader (4
   cubic yard), Bid No. 15-15014, Item A, for a total of $184,991.00.

3. Approving a one-time purchase from JCB South Texas to provide: six
   (6) each tractor, four wheel drive with ROPS/FOPS canopy, front
   mounted bucket and rear mounted extendible backhoe, (platform type),
   Bid No. 15-15014, Item B, for a total of $434,099.22.

4. Approving a one-time purchase from Silsbee Ford to provide: one (1)
   each 15,000 GVWR (minimum) 4 door, crew cab truck with mounted
   fiberglass utility body, Bid No. 15-15019, Item B, for a total of
   $60,963.00.

5. Approving a one-time purchase from Silsbee Ford to provide: one (1)
   each 9,900 GVWR (minimum) single rear wheel, two wheel drive,
   extended cab truck with installed service body, Bid No. 15-15019, Item
   C, for a total of $85,378.00.

6. Approving a one-time purchase from Silsbee Ford to provide: one (1)
   each 9,000 GVWR (minimum) 4x4 wide and short type bed (no fender
   outside) extended, club, super cab pickup truck, Bid No. 15-15019, Item
   I, for a total of $36,553.00.

7. Approving a one-time purchase from Silsbee Ford to provide: one (1)
   each 9,000 GVWR (minimum) 4x4 wide and short type bed (no fender
   outside) extended, club, super cab pickup truck with mounted 1,300 lb.
   powered lift gate, Bid No. 15-15019, Item J, for a total of $39,923.00.

8. Approving a one-time purchase from Graybar to provide: rack cabling
   components and accessories, Bid No. 15-15010, for a total of $67,073.16.

B. Award of New and Renewal Annual Goods & Services Requirement Contract
   and Maintenance Agreements. Estimated annual purchases are based on unit
   prices bid. Actual totals and quantities may vary from the estimate.
1. Approving additional funds to an existing contract with Capitol Aggregates, Inc. to provide: annual contract for cement aggregates (bulk materials), Bid No. 13-6024, for a total of $82,725.00.

2. Approving the renewal of an existing contract with IPC (USA), Inc. to provide: annual contract for diesel fuel, Bid No. 11-0038 (COSA A297), for a total of $2,205,089.00.

3. Acceptance of the bid of Anderson Machinery SA, Inc. to provide: annual contract for mobile cranes ten tons and larger parts and service, Bid No. 15-8033, for a total of $51,300.00.

4. Acceptance of the bid of Marcan Underwater Services, LLC to provide: annual contract for potable and reuse water storage tank cleaning and inspection, Bid No. 15-5078, for a total of $95,000.00.

5. Acceptance of the bid of Time Warner Cable Enterprises, LLC to provide: multi-year contract for backup internet service, Bid No. 15-1183, for a total of $112,800.00.

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY
Production, Transmission and Treatment Improvements

7. A Resolution approving Change Order No. 3 in an amount not to exceed $56,553.08 to the construction contract with Oscar Renda Contracting, Inc. in connection with the San Antonio River Outfall – Project 1. Total expenditures: $56,553.08.
   (ASHOK KAJI – JOE CARRENO)

REPLACEMENT AND ADJUSTMENT PROJECTS
Governmental Relocations and Replacements

8. A Resolution approving the expenditure of funds in the amount of $35,000.00 for the adjustment of water and sewer facilities by the Texas Department of Transportation in connection with the FM 471: Loop 1604 to 0.1 MI NE of Lost Lane Project and approving construction contingency expenses in an amount not to exceed $5,250.00 for the project work. Total expenditures: $40,250.00.
   (ASHOK KAJI – FRANCES PLOCEK)

9. A Resolution approving the expenditure of funds in the amount of $114,200.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the FY 2015 Asphalt Overlay Task Order Contract Package 4. Total expenditures: $114,200.00. (ASHOK KAJI – FRANCES PLOCEK)

10. A Resolution approving the expenditure of funds in the amount of $77,450.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the FY 2015 Asphalt Overlay Task Order Contract Package 5. Total expenditures: $77,450.00. (ASHOK KAJI – FRANCES PLOCEK)
11. A Resolution approving additional construction contingency expenses for Change Order No. 3 in an amount not to exceed $5,754.99 payable to Bexar County in connection with the Bulverde Road Phase V Project. Total expenditures: $5,754.99. (ASHOK KAJI – FRANCES PLOCEK)

12. A Resolution, concerning both the San Antonio Water System and the District Special Project, approving the expenditure of funds in the amount of $488,179.84 for the adjustment and replacement of water facilities by Bexar County Public Works in connection with the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project and approving construction contingency expenses in the amount not to exceed $48,817.99 for the project work. Total expenditures: $536,997.83. (ASHOK KAJI – FRANCES PLOCEK)

Professional Services

13. A Resolution awarding a professional services contract to Pape-Dawson Engineers, Inc. in an amount not to exceed $96,565.00 for the design of water and sewer facility adjustments and installations in connection with the Loop 1604: Potranco to US Hwy 90 Project. Total expenditures: $96,565.00. (ASHOK KAJI – FRANCES PLOCEK)

14. A Resolution, concerning both the San Antonio Water System and the District Special Project, awarding a professional services contract to GMK Engineers in an amount not to exceed $103,345.00 for the design of water and sewer facility adjustments and replacements in connection with the City of Castle Hills 2014 – 2015 Street Maintenance Project. Total expenditures: $103,345.00. (ASHOK KAJI – FRANCES PLOCEK)

MISCELLANEOUS PROJECTS

15. A Resolution, concerning both the San Antonio Water System and the District Special Project, awarding a construction contract to D. Guerra Construction, LLC in an amount not to exceed $971,130.00 in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract – Package 1. Total expenditures: $971,130.00. (MIKE BRINKMANN – JEFF BROWN)

16. A Resolution, concerning both the San Antonio Water System and the District Special Project, awarding a construction contract to Austin Constructors, LLC in an amount not to exceed $997,525.00 in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract – Package 2. Total expenditures: $997,525.00. (MIKE BRINKMANN – JEFF BROWN)

EASEMENT AND REAL PROPERTY

17. A Resolution accepting an offer in the amount of $400,000.00 for the sale of the approximately 120.494 acres Watkins North Farm and $672,500.00 for the sale of approximately 255.784 acres Watkins South Farm located on Hwy. 55 in Uvalde County, Texas and approving a Purchase Agreement with Archie McFadin and Sarabeth McFadin; affirming a six percent commission to be paid to Cano and Company at closing and authorizing payment of closing costs up to $1,000.00 at closing. Total amount received: $1,072,500.00. (NANCY BELINSKY – BRUCE HABY)
18. A Resolution accepting the offer in the amount of $85,000.00 and approving the Purchase Agreement with Jose A. Jimenez and Sandra V. Jimenez for the sale of 335 Azucena located in San Antonio, Bexar County, Texas; approving the six percent commission to be paid to Cano and Company at closing and payment of up to $5,000.00 in closing costs. Total amount received: $85,000.00.

(NANCY BELINSKY – BRUCE HABY)

19. A Resolution approving the acquisition of a permanent access and permanent water line easement from Arbor Riocan, LP, a Delaware limited partnership, affecting approximately 0.759 acres for the permanent access easement and 0.0157 acres for the permanent water easement, located near Henderson Pass, between US Hwy 281 North and Gold Canyon Road, in the northcentral quadrant of Bexar County, Texas, in connection with the McAllister Park Odor Control Station Relocation Project in a total amount not to exceed $81,390.00. Total expenditures: $81,390.00.

(NANCY BELINSKY – BRUCE HABY)

20. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent sewer easements and temporary construction easements, the project consisting of replacement of approximately 4 miles of existing sanitary sewer main and siphons beginning south of Highway 90, running along Leon Creek, adjacent to Lackland AFB, with a section of the main running through Lackland AFB, then following Leon Creek and terminating just south of S.W. Military Drive, in the southwest quadrant of Bexar County, Texas, 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 W6: Western Watershed Relief Line – Upper Segment Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirmering and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. (NANCY BELINSKY – BRUCE HABY)

WATER RESOURCES ITEMS


(SAWS-DSP) (CHARLES AHRENS – DARREN THOMPSON)

MISCELLANEOUS ITEMS

22. A Resolution approving Change Order No. 1 in an amount not to exceed $45,222.32 to the contract with Professional Pipe Services in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 1 Contract. Total expenditures: $45,222.32.

(STEVE CLOUSE – JEFF HABY)

23. A Resolution approving Change Order No. 1 in an amount not to exceed $126,709.97 to the contract with Ace Pipe Cleaning, Inc. in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 3 Contract. Total expenditures: $126,709.97.

(STEVE CLOUSE – JEFF HABY)
24. A Resolution awarding a service contract to J.R. Ramon & Sons, Inc. in an amount not to exceed $119,925.00 in connection with the collection, transportation, and disposal of non-hazardous solid waste and special waste from San Antonio Water System real property located along Elm Creek, a tributary to the Medina River and approving contingency expenses in the amount not to exceed $12,000.00 for the project work. Total expenditures: $131,925.00. (CHARLES AHRENS – SCOTT HALTY)

25. A Resolution awarding a contract to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers in an amount not to exceed $482,970.00 for the period of June 1, 2015 through May 31, 2018 with three successive one-year extensions to provide medical services and treatment provider services for the System. Total expenditures: $482,970.00. (SHARON DE LA GARZA)

26. A Resolution approving the purchase of Cisco Products and Services in an amount not to exceed $1,300,000.00 through the State of Texas Department of Information Resources contracts (DIR-TSO-2541, DIR-TSO-2542, DIR-TSO-2543, and DIR-TSO-2544) for various projects for the Data Center, Network Engineering and Telephony Groups for 2015. Total expenditures: $1,300,000.00. (DOUG EVANSON – JOE SAMPLES)

27. A Resolution approving Contract Amendment No. 1 to the professional services contract with Black & Veatch in an amount not to exceed $100,342.00 in connection with the Comprehensive Rate Study consulting services contract. Total expenditures: $100,342.00. (DOUG EVANSON – MARY BAILEY)

ITEMS FOR INDIVIDUAL CONSIDERATION
CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY
Developer Customer Contracts

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

<table>
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<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acreage</th>
<th>Water EDUs</th>
<th>WW EDUs</th>
<th>COSA / COSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>Board Reason</th>
<th>Water CCN</th>
<th>WW CCN</th>
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<tr>
<td>1</td>
<td>Stonehill Subdivision</td>
<td>McCombs Enterprises</td>
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<td>1,981</td>
<td>CoSA ETJ</td>
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<td>OVR</td>
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<td>In</td>
</tr>
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<td>The Orchards</td>
<td>Cumberland 90, Ltd.</td>
<td>565</td>
<td>2,672</td>
<td>2,632</td>
<td>CoSA ETJ</td>
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<td>OVR</td>
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<tr>
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<td>Medina Valley ISD Middle School #2</td>
<td>Medina Valley Independent School District</td>
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<td>Outside</td>
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<tr>
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<td>Totals</td>
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(SAWS-DSP)
WATER RESOURCES ITEMS

29. A Resolution approving the First Amendment to the San Antonio Water System/City of Nixon Mitigation and Settlement Agreement.
   (CHARLES AHRENS – DARREN THOMPSON)

30. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Quarterly Sanitary Sewer Overflow Program Update

   B. Briefing and deliberation regarding Various Financial Matters:
      - Quarterly Financial Results
      - 2015 SAWS Budget Challenges
      - Quarterly Investment Report
      - Tax-Exempt Commercial Paper Program

   C. Briefing and deliberation regarding the Service Center Program Update

31. Inquiries.

32. The Regular Session of the May 18, 2015, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Sections 551.071 and 551.074 of the Texas Open Meetings Act.

33. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding:
      i. Edwards Aquifer Authority, et al v. Bragg; Cause No. 13-1023 in the Supreme Court of Texas
      ii. GG Ranch, LTD, et al, v. the Edwards Aquifer Authority, et al; Case No. SA-14-CV-00848-RP in the U.S. District Court for the Western District of Texas, San Antonio Division
      iii. Guadalupe-Blanco River Authority v. Texas Attorney General, et al; Cause No. 03-14-00393-CV in the Third Court of Appeals of Austin, Texas
      iv. Guadalupe-Blanco River Authority Application to the TCEQ for Mid-Basin Project (Water Use Permit No. 12378)
      v. The Aransas Project v Shaw, et al; Cause No. 14-1138 in the Supreme Court of the United States
      vi. SAWS application to TCEQ for Authorization to Convey and Reuse Privately Owned Groundwater Based Return Flows

C. Deliberation regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer; and consultation with attorneys concerning legal issues regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer.

D. Consultation with attorneys and deliberation regarding the appointment, employment, reassignment, duties, discipline, or dismissal of a public officer or employee.

34. The Regular Session of the Regular Board Meeting of May 18, 2015, is hereby reconvened.

35. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF MAY 18, 2015, IS HEREBY ADJOURNED.
1. MEETING CALLED TO ORDER

The Policy and Planning Meeting of the San Antonio Water System Board of Trustees was held on February 16, 2015, and called to order at 12:30 p.m. by Chairman Berto Guerra.

2. Briefing and deliberation regarding GASB 45 Actuarial Valuation

Sharon De La Garza commented on the valuation of GASB liabilities for SAWS and the changes in the health plans and retiree health plans. The most significant change was the adoption of the Medicare Advantage plans for retirees over the age of 65. Normally, the GASB valuation was done every two years, but an additional GASB valuation was done last year to account for all of the changes to the health plans. She discussed some of the other changes such as subsidy participation and the life insurance policy for retirees that have contributed to the GASB liability. She stated she would come back later in the year to discuss additional strategies to further reduce the liability for SAWS. She introduced Mr. Bob Russell, Actuary with the HayGroup.

Mr. Russell presented the GASB 45 Actuarial Valuation. He stated the calculations were based on census data that was collected as of January 1, 2014, and the substantive plan that was in effect at the time of the valuation. He reviewed some of the changes since the prior actuarial valuation that included the elimination of the PPO Choice plan, the change of the existing HMO to a PPO plan, other minor changes to plan copays, and Medicare eligible retirees’ participation in the Medicare Advantage plans through United Healthcare.
He discussed plan details available to retirees. The pre-Medicare retirees could choose the same plans as active employee, although the cost sharing may be different. The Medicare eligible retirees could choose between two different Medicare Advantage plans. There was also a post-retirement life insurance benefit that was equal to one time annual salary at the time of retirement rounded to the next highest $500. This benefit was fully funded by SAWS with no retiree contribution. Also in 2012, SAWS began funding an OPEB Trust Fund to set money aside for future retirees’ healthcare liabilities. SAWS contributed $12 million in 2012, $4 million in 2013, and $6 million in 2014. He reviewed the specific eligibility criteria for the post-retirement benefits that included the age at retirement, years of service, and the calendar year of retirement.

He discussed the effect of the retiree contribution schedules on the post-retirement medical liability. There were changes to contribution philosophy by SAWS, which were intended to be phased in over the next six years. The goal was to have retirees pay approximately one-third of the cost and SAWS pay two-thirds of the cost. SAWS was continuing to monitor the progress of those contribution rates.

He reviewed the comparison of the prior valuation with the current valuation. There were certain actuarial assumptions that were key to the valuation such as the discount rate used to calculate the present value of future liabilities. There were also healthcare trend rates that were used in the valuation. He commented that the liability was cut more than in half since the prior valuation because of transitioning fully to the Medicare Advantage plans for the post-65 employees. The trust was better funded at 13.8 percent compared to only 4.7 percent of actuarial liabilities since the prior year.

He reviewed the development of the annual OPEB cost and a three-year history. The annual OPEB cost in 2012 was $20.4 million and a little higher in 2013. In 2014, the costs dropped dramatically to $10.2 million primarily due to adding the fully-insured Medicare Advantage plans. He discussed the change in head count over the last three valuations. As of January 1, 2014, the active head count was about 180 less than the previous valuation, and the number of retirees had increased. Current average age of active employees in the population was 46.1, with average years of service at 13.0. The retirees’ average age was 64.6, which means there were a lot of pre-65 retirees in the population. Other reasons for the decrease in liabilities were the elimination of the PPO Choice Plan as well as other minor changes to the plan design.

He discussed various actuarial valuation methods. The Present Value of Future Benefits represented the current discounted value of all future benefits expected to be paid under the plans. The Actuarial Cost Method then took the present value and divided it into different components that were used to provide the annual OPEB cost. The Unfunded Actuarial Accrued Liability was the actuarial accrued liability minus the assets that were in the trust. One other change that was made this year was the amortization period. This year after discussions with management, the annual OPEB liability was calculated for a shorter period. With the plan change for those hired after January 1, 2014, it was essentially a closed group type of valuation and it made sense to shorten the amortization period to pay off the liabilities.
3. Briefing and deliberation regarding Introduction to Non Revenue Water

Patrick Shriver presented an introduction to non revenue water. He defined non revenue water and its breakdown into three different categories. Water used for valid business purposes but not billed, and gave an example of flushing out sewer lines as part of the sanitary sewer overflow (SSO) program and also firefighting. Water delivered to customer but can’t be billed that could be attributed to inaccuracies with the mechanical meter, conversion inaccuracies and theft. Water lost before it reached customer that could be attributed to a break in the water line. He discussed the benefits of reducing non revenue water that included increased revenue, lowers production costs, reduces demand on water supplies, and improves overall system efficiency.

He reviewed the current activities to reduce non revenue water that included standardized audits, meter testing, proactive leak detection, and data collection. SAWS also had been working with a professional consultant, Water Systems Optimization (WSO). Over the last year, WSO analyzed numerous SAWS system data including Production, Customer Service, and Distribution and Collections. Staff was currently reviewing these findings and working to start implementing those strategies. Water Resources department was also coordinating the development and implementation of a non revenue road map with the effort of multiple departments throughout SAWS. He discussed the next steps to verify the results of WSO’s findings and understanding the costs and benefits. Staff would put together an implementation program and come back with more details on the non revenue challenge and WSO’s finding.

Ms. Merritt inquired about the inaccuracies with the record keeping and billing process. Mr. Shriver responded that in terms of the auditing and the record keeping, he received information through various means that had to be calculated and translated over the year. In terms of the billing system, the consultant found the billing system to be working pretty good. There had been a lot of proactive work done with the replacement of meters on the customer service side. There would be a more targeted statistical focus now to replace 15 year old and older meters instead of replacing large areas of old meters.

Ms. Merritt inquired about the theft of water and if SAWS pursued prosecution. Ms. Shriver replied that hydrants were reported in use without a meter or meter readers would find direct connections without a meter. Doug Evason commented that a direct connection would be when a pipe bypassed the meter and hooked directly into the service line going into the house. Agnes Barard replied that it would depend on the situation and if it could be proven, then SAWS would want to prosecute.

Robert Puente stated the next presentation would give more detail as to what action SAWS would take to drive the non revenue number down.

4. Briefing and deliberation regarding Various Financial Matters
   - Preliminary 2014 Financial Results
   - Quarterly Investment Report & 2015 Debt Transactions
   - District Special Project Bond Refinancing
   - Merchant Services
Mary Bailey presented the preliminary financial results for SAWS and District Special Project (DSP) for 2014. Padgett Stratemann was currently undergoing an audit of these financial statements so the financial information would state it was unaudited. Despite the challenges faced due to drought, 2014 was really a very successful year financially for SAWS. The Net Increase was over $40 million in 2014 and $24 million favorable to budget, and that was despite the fact that revenues were actually unfavorable to budget by almost $4 million. While rainfall last year was about 15 percent below normal, more than 50 percent of that rainfall fell during the summertime. The combination of rainfall and drought restrictions resulted in billed water usage being about 4 percent lower than budget and 1 percent lower than 2013. Actually, this unfavorable variance in revenue would have been even greater, but for the fact that SAWS was able to sell $11.1 million of water to the DSP as a result of their loss of the Medina Lake supply.

Operating Expenses were more than $20 million favorable to budget. About $17 million of that $20 million was related to salary and benefits, including retiree benefits. The HayGroup presentation by Bob Russell went over the fact that the valuations came in significantly less than the prior valuations. A little over $8 million from budget in prior years was saved as a result of that valuation. That was offset by an increase in spending in contractual services, particularly related to the SSO program. Capital Contributions were favorable to budget by almost $15 million, which was a reflection of the strong development activity seen this past year in San Antonio as well as the increase in impact fees that went into effect in mid-2014.

The Net Position Equity went up $144 million or 7 percent over the last 12 months, and the Unrestricted Equity went up $19 million, which was about a 16 percent improvement since the prior years. Cash Flows from operating activities increased about $32 million or 15 percent in 2013 and were primarily due to the rate increase that went into effect at the beginning of 2014 as well as a reduction in salary and benefits related costs. Capital Expenditures decreased about $81 million from last year. In 2013, there was heavy spending related to the Regional Carrizo Project, and in 2015, there would be significant expenditures related to the desal and the integration pipeline.

She reviewed the improvement to the Financial Ratios during 2014. The target for Senior Lien Debt Coverage was 2.0 and for Total Debt was 1.5. The actual Senior Lien Coverage was 2.6, which was significantly stronger than the target. All the debt issued was at the Junior Lien level, which enables the Senior Lien Coverage Ratios to improve. The Total Bonded Debt Coverage Ratio beat the target as well.

She discussed the budget amendment to the DSP that was approved by the Board in December. The amendment was necessary to reflect that DSP revenues were expected to fall short and O&M expenses were expected to exceed the original budget due to the purchase of water from SAWS. Operating revenues were about $600,000 favorable to the amended budget, but about $2.3 million unfavorable to the original budget. Operating Expenses were favorable to the amended budget by about $1 million, but about $600,000 unfavorable to the original budget. Again, the loss of Medina Lake water resulted in SAWS having to provide 3.7 billion gallons or over 11,000 acre-feet of water
to the DSP to cover customer demands in 2014.

The DSP's Net Position or Equity increased to $11.2 million. However, the Unrestricted Equity actually decreased by about $3.8 million. This was a reflection of net losses from the previous stage as well as cash funding from capital expenditures. Basically, since the SAWS and DSP merged in early 2012, cash funding had been used for all of the DSP’s capital expenditures up until November before withdrawing on the Flexible Rate Notes Program.

The Cash Flow from operating activities declined by about $3 million. On the other hand, the Capital Expenditures increased to about 28 percent from last year. The DSP’s ratios improved a little bit from the prior year despite the somewhat deteriorating operating results from 2013. The Days Cash on Hand actually declined quite a bit due to the spending on the capital program.

Chairman Guerra asked what the goal was for Days Cash on Hand. Ms. Bailey replied they would like to be over 300 on a combined basis in order to warrant the AA+ bond rating.

Mr. Williams inquired about SAWS and DSP revenue variance on a price per volume basis. Mr. Evanson responded that SAWS volume was down and price was up, and DSP volume was down and price was the same.

Mr. Evanson commented on the HayGroup presentation. He did not want people to overlook the magnitude of the change in OPEB funding and the reduced liability. He also commented on the debt coverage ratio for Junior Liens and the rating agencies being much more comfortable with a 1.6 ratio. He noted it was important since a lot more debt had been issued at the Junior Lien level.

Phyllis Garcia presented the Quarterly Investment Report as required by the Public Funds Investment Act as well as the results of some recent bond transactions. SAWS had $764 million in cash and investments, and SAWS received $777,532 in interest earnings for a total return on the portfolio of 14 basis points. SAWS participated in a Securities Lending Program, which produced good incremental income on securities. As of December 31, SAWS had $347 million of securities on loan, and Frost Bank was required to provide collateral of 102 percent or $354 million. Over the quarter, an incremental income of slightly less than $200,000 was received for securities lending. She discussed Frost Bank’s decision to get out of the securities lending business due to increased banking regulations and how it could affect the program. She stated the City of San Antonio had the same issue and would have to make a decision on whether or not they would move forward with the program. She would continue to monitor and would come back to the Board with an update.

SAWS portfolio was made up primarily of U.S. agencies with some in money market funds as well as U.S. Treasuries. Most of the funds in the money market account were bond proceeds from loans through the Texas Water Development Board (TWDB) that were required to be held in money markets until TWDB released the funds. The portfolio
was diversified by issuer. Securities were held by eight different issuers with the highest being the Federal Home Loan Bank at 44 percent. SAWS portfolio was benchmarked against the six-month and one-year U.S. Treasury. It was favorable to the six-month Treasury by 3 basis points, but there had been a slight uptick in short-term rates. The U.S. Treasury went up to 20 basis points, and SAWS portfolio didn't quite respond as quickly. However, the weighted average maturity was less than one year.

The Yield Curve for the short to intermediate term continued to be low and was anticipated to continue to be low. This was mainly due to the economy as well as the European economy. SAWS deposits were required to be collateralized. Also, cash balances utilized earnings credit, which was used to give earnings on deposits to offset banking fees. SAWS portfolio was in compliance with the investment policies as well as the Public Funds Investment Act in order of priority of the portfolio objectives, with legality, safety, liquidity, diversification, and yield.

The DSP Investment Portfolio had approximately $48 million at the end of the quarter, and earned a little over $11,000 or 10 basis points. All of the funds were held in a Local Government Investment Corporation. It was AA rated, and was in compliance with the Public Funds Investment Act with the priority of safety, liquidity, and yield.

Mr. Williams asked if Frost was getting out of securities lending because of changes to banking regulations, and why other banks were not affected. Ms. Garcia replied that securities lending had not been profitable for anyone. She stated she would come back to the Board once more information was available.

Chairman Guerra inquired about the collateralized deposits required by SAWS investment policies. Ms. Garcia responded to hold funds at the bank, SAWS would ask the bank to provide collateral for the deposits. The banks would pledge securities to SAWS that were held by a third-party so in case something was to happen the securities could be used to make SAWS whole.

Chairman Guerra asked about the statement regarding offsetting banking fees. Ms. Garcia replied that Frost Bank charged fees as the depository on a monthly basis to do business. The interest earned on deposits was used to offset these banking fees.

Ms. Garcia reviewed the bond transactions that closed in January after the Board approved last December. The TWDB loan through the Drinking Water State Revolving Fund was for $75.9 million to fund the pipeline portion in the Water Resources Integrated Pipeline. There was a subsidy of 1.25 percent so the overall interest cost for the 30-year loan was 1.81 percent. Also in January, SAWS priced through capital markets the series 2015B Junior Lien Revenue and Refunding Bonds. There were multiples components to this issue. The first component refunded some previously issued debt, the Junior Lien 2004 and 2004A Bonds as well as the Senior Lien 2005 bonds. Approximately $231 million was issued to refund $268 million of bonds, which provided a cash savings of $81.8 million through 2040 or a 17.5 percent net present value savings. This was issued at the Junior Lien level, which does not require a Reserve Fund. The spread between the credit rating on Junior Lien and Senior Lien was small enough that the savings from the
Reserve Fund offset the slight increase on the rates. The second component was a New Money Component to fund a portion of the 2015 Capital Improvements Program. Almost $72 million was issued at a rate of 3.43 percent through 2045, and again, that was at the Junior Lien level so it did not have a Reserve Fund. She reviewed a graph of the savings for the refunding bonds.

The Underwriting Syndicate for the transaction had Wells Fargo as the Senior Manager, Ramirez & Company as Co-Senior Manager, and Coastal Securities, Mesirow Financial, Rice Financial Products, and Stifel, Nicholas & Co. as Co-Managers. The underwriters did a good job and had to work hard to sell the bonds. Some maturities did not have any orders so the underwriters had to take in their bonds and their maturities.

Mr. Evanson reviewed the District Special Project Bond Refinancing. He discussed the integration requirements in Senate Bill 341 to integrate the services and infrastructure of the District into SAWS in a reasonable and orderly manner. An extension may be granted to complete the integration of not more than three years. The election results were certified November 18, 2011 so the five years would be November 18, 2016. However, preclearance from the Department of Justice was received on January 27, 2012. There was some discussion whether November 18, 2016 or January 27, 2017 was the date to achieve complete or full integration. Within the interim period, reports have been filed with the Texas Commission on Environmental Quality on a consistent annual basis. He discussed Section 52. (c) that stated, until the date specified in Subsection (a), the System may operate the former District as a special project under the System's existing senior lien revenue bond ordinances. Finally, the integration would be considered complete when three basic factors were achieved. First, the areas of service located in the former District were no longer operated as a special project within SAWS. Second, the ratepayers of the former District paid the same rates for services provided by SAWS as other similarly situated ratepayers of SAWS. Third, the ratepayers of the former District received water service that met the requirements of the Commission.

He discussed the primary reason SAWS opted to operate as a special project. There would have been a significant loss to SAWS and its ratepayers to absorb by immediately refinancing all of BexarMet's existing bond obligations. The refinancing loss in 2011 was estimated to be somewhere between $9 million and $27 million depending on how it was structured. Recently the financial advisor went back to figure out the net present value back in January of 2012, which would have been a loss of $12 million. Another challenge or option that was not chosen was to equalize the rates to 2012. This would have immediately resulted in a reduction of DSP's operating revenues of approximately $19 million a year. This issue would still be a challenge when the conversion was made.

He reviewed some potential opportunities to refinance the DSP debt obligations for debt service savings and summarized all of the outstanding debt obligations of the DSP. He reviewed the callable dates and discussed the rules regarding advance refunding.

Mr. Rowe inquired about the bonds that were noted as partial advance refunding. Mr. Evanson responded that some portion of the outstanding issue was not eligible to be advanced refunded with tax exempt bonds. If the bonds were called before the call date,
some of the bonds would have to be issued as taxable.

Mr. Evanson reviewed the significant reduction in interest rates during 2014 and early 2015 for tax-exempt rates and taxable rates. He discussed the volatility in the last 60-plus days and some of the things that caused rates to move. He reviewed the different dates that were considered for refunding the DSP bonds and some of the pros and cons associated with the different refunding dates. He discussed the breakdown of the transactions for each refunding date and the potential savings or loss associated with each date. The rate equalization challenge continued to be substantial for the commercial rate variance, but the residential class was very close currently. Another issue was the DSP did not have an irrigation class rate so there were no exact records of how many customers had separate irrigation meters for a separate irrigation class rate. These have been estimated to determine the revenue impacts. He stated that all the information was based upon SAWS existing rate structure, and did not give consideration to potential changes that may arise as a result the of ongoing rate study.

He reviewed the steps required if the DSP debt obligations were refinanced within the next 12 months. He stated he would not recommend it from a financial perspective unless the rate structure was left outstanding for as long as possible because money would be saved on the debt side; however, revenue would be lost on the rate side of up to $10 million annually. The refinancing would need a Board Resolution and a City Council Ordinance that would prove the issuance of the bonds. Once the issuance of the bonds was approved, they would be SAWS bonds. The Board would also need to approve the termination of the DSP contingent upon the issuance of the bonds. Upon the termination of the DSP, a new SAWS rate class would be established that consisted of the customers of the now former DSP. The rate class would be eliminated no later than the time that integration of the System and the former BexarMet Water District was required to have occurred under Senate Bill 341.

He recommended refinancing the existing bonds for savings within the next 12 months. A cue authority would allow the market conditions to be monitored and the authority to go to market if it was favorable to do so. This would result in the elimination of the DSP and consolidation of the DSP and SAWS financial results. It would accomplish the second required step, which was collapsing of the DSP so two of the three steps that are required to complete integration would have been accomplished. This would also assists in the ultimate achievement of rate parity, which was the final step to achieve complete integration. Separate rate structures for customers within the former BexarMet service area would need to be maintained until complete integration, and a decision would need to be made as to whether or not to pursue the potential three-year extension for complete integration.

Mr. Williams discussed City Council’s concerns. In addition to no impact to the existing ratepayers, there were concerns with any hidden liabilities, a big push for cost savings, and the different classifications of service. He stated it would be important to show how SAWS dealt with each of those concerns. Mr. Williams inquired about the recommendation for the flex rate note. Mr. Evanson replied that he would propose to roll the flex rate note program over into a similar variable rate debt on SAWS balance sheet.
Mr. Evanson stated his recommendation was to get in front of Council and have the ability to pull the trigger in May and not wait till January, if he could lock in savings. Mr. Williams responded that it should not be a rate discussion, and all rate structures would stay the same.

Mr. Puente commented on Council’s question regarding liability and negative impacts to SAWS ratepayers. He stated that the first two of Council’s concerns at the time had been met. Mr. Williams responded that there needed to be some cost savings in integrating these entities. Mr. Puente stated he was very proud of the way SAWS took in the failed water utility, and he would like to present all the cost savings that resulted from the integration.

Ms. Garcia reviewed an initiative regarding the acceptance of credit and debit card payments from the customers and the different types of payment options available. In 2014, SAWS processed over 5.1 million transactions through the different payment options that included the website, mail, service centers, third party, and online bank payments. VISA and MasterCard charged a fee to use their product. Since 2010, the number of transactions increased 67 percent for credit card payments from a little over $600,000 to over $1.1 million in 2014. The fees associated with that have increased 77 percent from approximately $800,000 in 2010 to over $1.4 million in 2014, and SAWS was billed directly from VISA and MasterCard for those transactions fees.

Staff issued an RFP back in August to solicit proposals to provide third-party payment processing of credit and debit card fees. The payment processing would have to be integrated with the current website and telephone systems as well as the Customer Service Centers, and the third party would be able to charge the customer a fee for the transaction. This would be similar to how CPS Energy, the City of San Antonio and Bexar County charged a fee for credit card transactions.

The RFP asked vendors to provide a detailed approach on how they would implement the processing of credit card payments, and were evaluated by a selection committee that considered the customer experience, the implementation, the IS requirements, and the fees. She reviewed the criteria for evaluation. Nine responses were received. The selection committee reviewed the responses and interviewed four finalists, JP Morgan Chase, Kubra, Value Payment Systems and Western Union. The fee schedules ranged from $1.45 to $2.25 for a residential customer payment from $500 to $1,500, and $3.75 to $8.00 for a commercial customer payment of $1,000 to $3,000.

Chairman Guerra inquired about the fee for a commercial customer that was over $3,000. Ms. Garcia responded that a bill more than $3,000 would have to be done in multiple transactions. One of the proposals had two fees, but it was just one transaction.

Mr. Rowe asked how many of the big customers, the $3,000 or over, paid by credit card. Ms. Garcia replied that from the time period of July 2014 to October 2014, there were over 325,000 credit card transactions. Of those, approximately 13,000 were commercial credit cards and their average bill was $856.00 so most of the average bills were below
these minimums. There was an actual $230,000 bill that was paid by credit card.

Mr. Williams asked if the customer would pay another company instead of paying SAWS directly. Ms. Garcia replied the customer would go through a third party to pay. The customer would then see a credit card payment to SAWS and a second charge for the transaction fee to the vendor.

Mr. Williams asked if the customer would be directed to another site and whether the site was secure. Ms. Garcia confirmed the customer would be directed to another site, and one of the requirements was that the site was secure.

Ms. Jasso stated she used the free option to pay by check. She asked if the current option to pay be credit card had a fee. Ms. Garcia replied no, not right now. The credit card transaction went through SAWS system and the processing fee was paid by SAWS. Ms. Jasso inquired about SAWS continuing to process the transaction, but charge the customer a fee. Ms. Garcia responded that was an option. She stated SAWS did take the credit card payment, but did not store the credit card numbers in any way. This option would require SAWS to be PCI compliant and would take a lot of work and manpower. This was an option, but the thought was that outsourcing would be better because of the responsibility to maintain the website and all of the compliance requirements and rules with the credit card associations.

Chairman Guerra inquired about the rate SAWS paid, and if the rate was less expensive for the volume billed. Ms. Garcia replied SAWS was currently on the lowest rate called the Utility Rate with the credit card vendor. The cost per bill had gone down because of the lower rate, but the volume increased so much that SAWS was still paying quite a bit in fees. She stated she did not have the rate available and it varied by the type of card processed. VISA and MasterCard had different rates based on the types of cards.

Chairman Guerra asked the staff get that information for the board. He stated he would like to look at it a little more.

Ms. Jasso stated she would like to see SAWS charge the customer, but she understood the hesitation and the time factor. She stated SAWS did not need to be paying the cost for the transaction.

Mr. Evanson commented that the $1.4 million in fees divided by 1.1 million transactions came to about $1.27 on average per transaction.

5. DISCUSSION OF POTENTIAL ITEMS FOR FUTURE POLICY & PLANNING MEETINGS

None

Chairman Guerra stated that there would not be an executive session.
6. **EXECUTIVE SESSION.** At any time during the meeting the San Antonio Water System Board of Trustees may hold an Executive Session pursuant to the Texas Open Meetings Act, Texas Government Code Section 551.071 to consult with its attorneys in connection with any of the items being considered during the meeting, and to discuss the matters listed below:

   A. Consultation with attorneys regarding legal issues related to a potential settlement of claims made by S.J. Louis Construction of Texas Ltd.

7. **RECONVENE REGULAR SESSION**

8. **ADJOURNMENT**

   Meeting adjourned at 2:42 p.m.

   ____________________________________________
   Berto Guerra, Jr., Chairman

   ATTEST:

   ____________________________________________
   Patricia E. Merritt, Secretary
MINUTES

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
March 3, 2015, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

Board Members Present:
Berto Guerra, Jr., Chairman
Louis E. Rowe, Vice Chairman
Pat Merritt, Secretary
Pat Jasso, Assistant Secretary
Ernesto Arrellano, Jr., Trustee
W. Reed Williams, Trustee

Board Members Absent:
Ivy R. Taylor, Mayor

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on March 3, 2015 and called to order at 9:14 a.m. by Chairman Berto Guerra.

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

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of December 2, 2014.

   B. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of January 6, 2015.

Chairman Guerra asked if there were any corrections to the minutes. Hearing none, the Chairman stated the minutes were approved as presented.

Nathan Riggs recognized seven members who were retiring from the Community Conservation Committee (CCC). He introduced Dolores Mendes and Donna Irwin who were in attendance. Ms. Mendes served on the CCC for four years and Ms. Irwin served for six years. Other retiring members who were unable to attend were David Adams, Golda Obinzu, Jason Siptak, Christel Villarreal and Joanne Walsh. The members provided a tremendous service to SAWS and to the community through their activities. He thanked the members for their service on the CCC.

Steven Siebert recognized seven members who were retiring from the Citizens Advisory Panel (CAP). He introduced Kay Kutchins, Marc Stroope, Dr. Alan Dutton and Adrian Reyes, who had served six years. Other retiring members who were unable to attend were Dr. Deborah Gilbertson, Adam Greenup and Harold Orosco. He thanked the members for their service on the CAP.

On behalf of the Board, Chairman Guerra thanked the members for their service and dedication to the City and to SAWS.

Joshua Dean recognized the Security Group for an award from Security Magazine. Security Magazine ranked the Top 500 industries, and SAWS fell under the energy and utilities category. He reviewed a list of the ten ranked companies that included Baker Hughes, Chesapeake Energy and Consumers Energy. SAWS ranked No. 4. He recognized the individuals within the Security Group for their efforts.

Chairman Guerra thanked the individuals for everything they do for the Board and for everyone at SAWS.

Chairman Guerra stated he would move to Item 24, the Briefing Session.

24. BRIEFING SESSION.

A. Briefing by City of San Antonio on residential-grade/safe soil removed from Convention Center expansion site (Robert R. Puente – Peter Zanoni, Deputy City Manager)

Chairman Guerra introduced Pete Zanoni, Deputy City Manager with the City of San Antonio to present the first item. Mr. Zanoni briefed the board on the Convention Center soil that was removed from the Convention Center expansion site. The soil was excavated to enable the construction of the Convention Center expansion. He stated the soil was not contaminated and met residential grade soil standards.

He reviewed photos of the 10-acre site where the soil was removed about six feet down into the site. One key point to note was that the soil was removed not because of its naturally occurring elements, but rather because of its composition. This soil was not sound enough to hold the weight of the Convention Center. He discussed the details of the 750,000 square feet expansion site. Early on the design build firm, Hunt Zachry, realized that the soil could not hold the weight of the building. Geo Strata was the environmental testing firm hired by Hunt Zachry. He reviewed the three areas assessed during the environmental assessment and the results. In Area 1 and 2 there were soils with higher levels, but none of that soil was removed in this removal of dirt. In the Geo Strata report,
the report findings and conclusions were based on the end total soils taken out of Areas 1, 2, and 3. He stated that because of the report from Geo Strata, it would take $6 million to place the soils in the landfill. The City's Engineer and the City's team decided to get a second opinion. Raba Kistner was brought on as part of a staff augmentation team. Raba Kistner did a peer review of the Geo Strata report, and came to the conclusion that there was not enough data so they did more soils samples in Area 3. Raba Kistner took Geo Strata's nine samples and conducted another 58 samples, for a total of 67 samples of soil in Area 3. They concluded that the soil was safe. There were no elements in Area 3 that were above the residential standards. Therefore, the City moved the soil to a City-owned site at Hwy 151 and Hwy 90.

He discussed charts of the two elements that were analyzed, arsenic and lead. All of the samples from Raba Kistner as well as the samples from Geo Strata, with the exception of four, were below background levels for arsenic. He pointed out that Geo Strata studied down to the groundwater that was probably close to 30 feet below surface level, and found that the water was not contaminated. The majority of Raba Kistner’s as well as Geo Strata's samples were again well below background levels for lead. There was three others elements that were studied, and all fell well below the levels of tolerance.

He reviewed the City’s discussions with the Food Bank, which was located across the highway from where the material was placed on the City's 48 acre site. The City used Southwest Research Institute to do an independent study of crops and the sampling of crops in the gardens used by the Food Bank. Southwest Research not only studied a good sample of vegetables, they also looked at the dirt underneath the fruits and vegetables. It was reported last Friday that both tests came back great. The food was safe and the soil on their garden was safe.

The City Manager recently appointed the health department to do a third check of the soils. Metro Health Department convened a panel that included a member of the Food Bank Board, to interview three firms that had submitted proposals to the City to study the soils at their current site. Through this independent assessment and interview process, Weston Solutions was selected. Weston coincidently did a phase one assessment of the property back in the 90's when the City first acquired it. Weston would have their report done in about four weeks or by the end of the month. Similar results were expected, but they wanted to make sure the public was rest assured. Also, TCEQ initially assessed the situation and said that this was not in their jurisdiction. TCEQ would monitor the actions of Weston and actually split some of the soil samples. The City would continue to outreach to the community and stakeholders.

He introduced Rick Klar from Raba Kistner, and asked him to review the results of the samples by Raba Kistner. Mr. Klar provided an overview of their work on the project. They were initially called just to take a look at the work that the design build contractor had done in studying the site and evaluating potential environmental concerns. Environmental soil borings were installed in areas that would be most likely to exhibit environmental impacts. Area 3 did not have a lot of historical businesses or facilities of concern so only nine boring were installed in that area. The results of their study did not find any sort of manmade contamination. There were no chemicals of concern, no hydrocarbons, no solvents, and there was no contamination in the shallow groundwater.

Mr. Rowe inquired about the levels in the groundwater. Mr. Klar responded there were no
chemicals detected in the groundwater, and there was no heavy metal contamination detected in the water either.

Mr. Klar stated that at the time Raba Kistner was brought in, the decision had been made that all of the soils in Area 3 had to be excavated and removed from the site. The recommendation that was set forth by the contractor was it all needed to go to a landfill which based on the data and looking at the report, they could not see why that recommendation was made. Their recommendation was more work really needed to be done in this area to confirm and clarify that there were no environmental issues. They recommended installing 32 additional borings on a grid pattern across the entire site, and they ran the soil sample tests again to look for naturally occurring metals throughout that part of the site. By and large, their data was very consistent with what the previous study showed in that they did not find any chemicals, any hydrocarbons. They did find concentrations of naturally occurring heavy metals, and those included lead, arsenic, mercury, and barium. These were elements that occur in primarily clay soils throughout Texas. He reviewed the soil sample charts that reflected Geo Strata’s testing as well as Raba Kistner’s testing.

Mr. Williams inquired about the levels for mercury and barium. Mr. Klar responded that with respect to each metal, a few were above background level, but nothing that approached the residential level. The most conservative value that TCEQ offered was the human, health and safety numbers that were considered protective of residential land use. There were a whole other set of values for properties that were commercial or industrial in nature. TCEQ does not require that those properties be cleaned up to as stringent a level because people would not have that direct connection to the land that they would in a residential setting. TCEQ also considered another exposure pathway that had the potential for an aquifer to be contaminated, whether it was manmade, chemicals or leaching out of the soil.

Ms. Merritt asked what had been done to alert the community at large about the results of the findings. Mr. Zanoni replied the City had a communication plan both in English and Spanish, which started with the City’s website. The information included a video that was an interview of the City Engineer and Raba Kistner explaining the situation. They were meeting with stakeholders in the community and the Food Bank. They had extensive communication efforts with the Express News and other media outlets, like La Prensa, some of the Spanish TV stations, news stations, as well as Channels 4 and 12. They would meet with some of the community college networks that were around the Food Bank area as well as the nearby elementary schools. They were working with Councilman Lopez to accompany him to neighborhood meetings and other events to get the message out to the community. In addition, they would brief City Council on this item during the next B Session.

Mr. Williams commented on the design build process and that Project Control and Raba Kistner were hired to watch the City’s side of the design build. This was in place in case a decision had to come up because on a design build all the pre-work would not have been done, and these were normal things that were going to come up. Mr. Zanoni confirmed.

Mr. Rowe inquired about the potential for anything in the soil to leach into the aquifer and create a problem. Mr. Klar responded the initial study that was done by the contractor actually provided the greatest evidence there were no issues associated with leachability.
Ms. Jasso commented that from SAWS perspective, originally the 48 acres were to be traded for another tract of land, and then that came off the table. She asked if the City was still on track to purchase the SAWS land for cash. Mike Frisbee with the City of San Antonio confirmed. There was a lot of discussion about land swap potential prior to the decision to move the soil. The swap was really off the table after that and then later it came back onto the table as a potential discussion ten months after the soil was moved. He stated the City would like to purchase the property. Ms. Jasso asked if it might be on the next agenda since it was pulled. Mr. Frisbee responded yes, hopefully April.

Chairman Guerra thanked Mr. Zanoni for bring the information to the Board and taking a proactive approach to getting the message out about the soil. We learned through the recent Vista Ridge process that the public appreciates transparency. We look forward to continuing our conversation with you on the remaining 12 acres.

Mr. Williams commented on the difficulty of design build projects. Decisions were made very quick because time was money during construction. Clearly we're going to need to know more out of these decisions quicker and more transparency. He discussed the decision making process, and the need to slow down on the thinking process to be logical, calculative and conscious about the decisions.

B. Briefing and deliberation regarding Vista Ridge Project

Pedro Almagro gave a progress report on the Vista Ridge project. He discussed the project timeline. They were making progress with all the work under the umbrella of the Pape-Dawson/CP&Y contract, and started reviewing the engineering. They prepared the study to go to the landowners along the pipeline. Next week, they would start sending letters for the right of entry to establish the geotechnical and topography studies on the site. The preliminary contract with RW Harden had been finalized for the hydrogeological work. For the Water Supply Corporation, they planned to communicate the election to SAWS before they go forward with the contacts to the landowners. The right of ways and right of entries would begin next week, and was one of the critical paths of the project. They planned to move into the office building in March, and the team was already here. He did not have any news to report on the financing. The first quarter was ending and they had not closed for January so the budget information was the same as last reported.

Chairman Guerra thanked Mr. Almagro for the monthly update.

Chairman Guerra stated he would move back to Item 5, Public Comment.

5. Public Comment.

Terry Burns spoke on behalf of the Sierra Club and in support of the Water Conservation Plan. He commended SAWS for its long history of water conservation efforts. He encouraged SAWS to continue on this path, and to continue investing in the conservation program. He encouraged more aggressive, more ambitious goals to be adopted in the future regarding the per capita goal, Block 4 residential users, out of city limits residents, and water loss. He supported the combined approach of education incentives and reasonable regulations, and the focus on reducing peak water demand, especially through rate structures with more aggressive price structures. Rain water harvesting programs
should be expanded. The Sierra Club strongly supported still more aggressive efforts to reduce groundwater demand, and continued to have serious doubts about the financial and environmental wisdom of the Vista Ridge Project. It was essential that Vista Ridge in no way resulted in a roll back of SAWS conservation efforts and in no way created the impression that San Antonio was now water abundant instead of a water wise community.

Margaret Day commented on behalf of the Alamo Group of the Sierra Club. She supported greater water conservation goals and commended the SAWS Conservation Department for their work. She discussed the per capita goal from the 2012 Water Management Plan. She stated it was too high and should be 100 gallons per day or less by 2020. She commented on the concern that SAWS was turning away from the least expensive water supply options, which was conservation, and paying more to bring in Vista Ridge water. She discussed the promise of 19,000 acre-feet of water conservation cumulative by the year 2020 in the water plan. During the Vista Ridge negotiations, a fact sheet came out in which SAWS promised additional water conservation equal to that of one-and-a-half times New Braunfels water use annually or about 15,000 acre-feet. This would bring the conservation goal to 34,000 acre-feet of water per year. She requested that the update of the 2012 Water Management Plan include measures specifically addressing the increased conservation goals. She urged SAWS to refocus its commitment to a water efficient economy for San Antonio to keep on a sustainable path, to minimize costs to ratepayers, to minimize the impact to water resources of the state and the species that rely upon them, and to minimize the myriad cost of externalities not currently addressed. Both SAWS and the City of San Antonio have sustainability plans which the Sierra Club felt were not being applied in SAWS decision making, especially pertaining to the Vista Ridge water, since mining the Carrizo Aquifer was unsustainable.

Chairman Guerra called for citizen David Barton. Mr. Barton was not present to speak.

Ms. Day asked if she could make comments about the Vista Ridge presentation. Chairman Guerra confirmed.

Ms. Day stated they had been following closely on the Abengoa issue with Vista Ridge. In September, Abengoa issued 500 million Euro Green Bonds on the international market and Green Bonds required certain commitments. She asked SAWS Board to make sure Abengoa fulfilled every one of the obligations that were required under the Green Bond Program.

**CONSENT AGENDA ITEMS**

**Items 6 – 21**

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

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

   A. Award of New One Time Purchases of Materials, Equipment and Services.
1. Approving a DIR contract with Solid Border to provide: one-time purchase of Palo Alto hardware software and support (DIR-SDD-1855), Bid No. 15-15007, for a total of $64,890.00.

2. Approving a DIR contract with Computer Solutions to provide: one-time purchase of Cisco AQM licensing & support for the Customer Service Call Center (DIR-TSO-2542), Bid No. 15-15008, for a total of $96,504.10.

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

1. Approving the renewal of an existing contract with Genuine Parts Co. to provide: annual contract for automotive & light truck brake parts, Bid No. 13-0283, for a total of $67,500.00.

2. Acceptance of the bid of Redi-Mix, LLC dbd Custom-Crete to provide: annual contract for concrete delivery on an as needed basis, Bid No. 14-4071, for a total of $158,818.00.

3. Acceptance of the bid of Alterman Technologies dba Alterman, Inc. to provide: annual contract for maintenance, repair and installation of security electronic devices, Bid No. 14-14108, for a total of $200,000.00.

4. Approving a sole source contract with Innovyze to provide: purchase of Innovyze Informaster software, maintenance and implementation for Water and Wastewater Master Planning, Bid No. 14-15009, for a total of $162,500.00.

C. CAPITAL IMPROVEMENT CONTRACTS

REPLACEMENT AND ADJUSTMENT PROJECTS

7. A Resolution approving the expenditure of funds in the amount of $50,609.00 for the replacement of water facilities by the City of San Antonio in connection with the Citywide Bridge Replacement – Bronco Lane Project and approving construction contingency expenses in the amount not to exceed $7,591.35 for the project work. Total expenditures: $58,200.35. (ASHOK KAJI – FRANCES PLOCEK)

8. A Resolution approving the expenditure of funds in the amount of $57,004.00 for the adjustment of water facilities by the City of San Antonio in connection with the Citywide Bridge – S. Laredo Project and approving construction contingency expenses in the amount not to exceed $8,550.60 for the project work. Total expenditures: $65,554.60. (ASHOK KAJI – FRANCES PLOCEK)

9. A Resolution approving the expenditure of funds in the amount of $148,496.00 for the replacement of sewer facilities by the City of San Antonio in connection with the Yanaguana Garden Park Project; approving an amount not to exceed $8,947.00 for construction manager at risk services and construction contingency expenses in the amount not to exceed $22,274.40 for the project work. Total expenditures: $179,717.40. (ASHOK KAJI – FRANCES PLOCEK)
10. A Resolution approving the expenditure of funds in the amount of $337,794.08 for the adjustment and replacement of water and sewer facilities by the City of San Antonio in connection with the Mud Creek Tributary “A” Drainage Improvements Project and approving construction contingency expenses in the amount not to exceed $33,779.40 for the project work. Total expenditures: $371,573.48.

(ASHOK KAJI – FRANCES PLOCEK)

Professional Services

11. A Resolution awarding a professional services contract to Halff Associates, Inc. in an amount not to exceed $95,093.50 in connection with the South Hausman Road Project. Total expenditures: $95,093.50. (ASHOK KAJI – FRANCES PLOCEK)

12. A Resolution, concerning both the San Antonio Water System and the District Special Project, approving the expenditure of funds in the additional amount not to exceed $750,000.00 payable to the City of San Antonio for professional engineering services in connection with the 2012 – 2017 Bond Program. Total expenditures: $750,000.00. (ASHOK KAJI – FRANCES PLOCEK)

WATER RESOURCES PROJECTS

13. A Resolution approving Recapitulation Change Order No. 4 in a decreased amount of $81,863.40 to be credit to the construction contract with Oscar Renda Contracting, Inc. in connection with the Regional Carrizo Program, Water Delivery Pipeline Project; authorizing the return of funds in the amount of $81,863.40 and the construction contingency balance of $931,477.69 for a total amount of $1,013,341.09. Total decreased amount: $1,013,341.09.

(CHARLES AHRENS – DARREN THOMPSON)

MISCELLANEOUS PROJECTS

14. A Resolution approving a services work order in an amount not to exceed $90,000.00 for professional services for configuring and implementing enhancements to the Infor CDR Module and for configuring and implementing the Infor Customer Information System Dynamic Portal Module; approving an amount not to exceed $284,000.00 for licensing and software maintenance of CIS Dynamic Portal Module subject to the agreement with Infor Public Sector, Inc. Total expenditures: $374,000.00.

(DOUG EVANSON – JOE SAMPLES)

15. A Resolution approving Recapitulation Change Order No. 2 in a decreased amount of $50,000.00 to be credit to the construction contract with Archer Western, LLC in connection with the Dos Rios Water Recycling Center First Stage Diffuser Replacement Project; authorizing the return of funds in the amount of $50,000.00 and the construction contingency balance of $89,766.00 for a total amount of $139,766.00. Total decreased amount: $139,766.00. (STEVE CLOUSE – PARVIZ CHAVOL)

EASEMENT AND REAL PROPERTY

16. A Resolution authorizing the President/Chief Executive Officer or his duly appointed designee to execute a Transfer of Easement Jurisdiction to City Public Service Energy for the transfer of a 0.057 acre tower easement together with a 0.279 acre ingress egress easement, and a 0.093 acre electric easement, generally located in the northwest quadrant of the intersection of Hildebrand and US Highway 281 located in
north central quadrant of Bexar County, Texas; accepting funds in the amount of $409,500.00 for the transfer of the easements to CPS Energy. Total amount received: $409,500.00. (NANCY BELINSKY – BRUCE HABY)

17. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent water and sewer easements, this project being generally located along a 0.15 mile alignment of Prue Road beginning east of the intersection with Old Prue Road and terminating just east of the intersection with Wilson Oaks, in the northwest quadrant of Bexar County, Texas, 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 Prue Road at French Creek (LC-6) Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. Property located in: NCB 18290 (NANCY BELINSKY – BRUCE HABY)

18. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent sewer and water line easements, the project will consist of approximately 0.8 miles of adjusted and replaced sewer and adjusted and replaced water main beginning near the intersection of Indian Creek and the Ray Ellison Blvd., and thence generally following in a northerly course of Indian Creek, and terminating at Medina Base Rd., in the southwest quadrant of Bexar County, Texas, 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 Indian Creek Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. Property located in: NCB's 15210, 15257, 15258, & 15284 (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

19. A Resolution awarding annual service contracts to Wachs Valve and Hydrant Services, LLC, dba Wachs Water Services, in an amount not to exceed amount of $369,780.00 for leak detection services with three additional one-year renewal options. Total expenditures: $369,780.00. (MIKE BRINKMANN – ALISSA LOCKETT)

20. A Resolution prescribing authority to sign for withdrawals from depository fund accounts, prescribing authority for withdrawals of documents from safekeeping, and appointing representatives with full authority to execute collateral transactions in accordance with contracts for general depository services and investment services as approved by actions of the Board of Trustees; and that all prior instructions and resolutions with respect to the foregoing signatories be and are hereby rescinded. (DOUG EVANSON)

21. A Resolution approving Settlement of the lawsuit of Eugenio Rodriguez against the San Antonio Water System; approving the System’s financial obligation in the total
amount not to exceed $100,000.00 for purposes of the Settlement. Total expenditures: $100,000.00. (NANCY BELINSKY – BILL CROW)

Chairman Guerra asked if there were any items on the consent agenda that should be pulled for individual discussion or consideration.

Ms. Jasso made a motion to approve the Consent Agenda Items, Nos. 6 – 21. Ms. Merritt seconded.

Consent Agenda Items, Nos. 6 – 21, were unanimously approved. Electronic voting.

ITEMS FOR INDIVIDUAL CONSIDERATION

22. A Resolution approving the 2014 Water Conservation Plan required by the Texas Commission on Environmental Quality and Texas Water Development Board. (CHARLES AHRENS – KAREN GUZ)

Karen Guz presented item 22, the approval of the 2014 Water Conservation Plan required by the State of Texas. The State required water utilities in Texas to do rigorous water planning. SAWS was already doing this far beyond what the State required. Both the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) requested a five-year plan and annual updates. The required contents of the plan included SAWS conservation goals, which were derived from the 2012 Water Management Plan. They also wanted to know strategies to meet the goals, and that there was conservation oriented rates. In order for these two plans to be considered administratively complete by the State, the board needed to formally approve the plan. The plan was required by TCEQ, but also specifically by TWDB as part of the applications for water funding projects.

The contents of the plan included targets and strategies, specifically targeted peak reductions in the 2012 Water Management Plan. The submittal of the plan to the State was a good opportunity to go out in the community and talk about water conservation. It has also been a great opportunity to prepare for the update of the plan, to do updated analysis and get feedback. She reviewed a list of some of the organizations that have been a part of the public input. One of the targets in the plan was peak reductions. She reviewed the levels of the GPCD since 2011 with the GPCD starting at 143 in 2011. In the fourth year of drought, the GPCD was 122. The customers have performed in an outstanding manner and have followed drought restrictions so well that restrictions did not go beyond Stage 2. She discussed the permanent saving targets that accumulated every year between 1,600 and 2,000 acre-feet of water and added up to a significant amount of water by 2020. She reviewed the conservation strategies of education and outreach, reasonable regulation and financial investment.

She discussed the drought program mix that changed every year because the programs were evaluated and decisions made to improve them. One of the key points of the program was that programs that benefit commercial customers were funded by commercial customers, and residential programs were funded by residential customers. There were great success stories in every class of customers and were gradually reducing how much water they used. There was great participation, not just from homeowners, but from industrial and commercial customers. There had been great strides in managing commercial landscapes better. The once-a-week spray irrigation restrictions had been in
effect for the past four years, going on five, and that had a big impact on the per capita usage. There would be important discussions regarding the per capita goal and the types of regulations going forward.

She summarized the five-year plan to manage in dry times, and to help customers get through those peaks without having to increase water use. The same strategies were used that have been successful over the years. The conservation funding came from the rate structure. The goals were from the 2012 Water Management Plan. She discussed the citizen’s comment on the per capita goal and explained that there would be a lot of rigorous integrated water management planning that would dive into how to manage long-term population growth and long-term demand goals. She anticipated there would be revisions to the per capita targets, and there would be another rigorous community discussion and another rigorous discussion with the Board. Staff recommended the approval of the plans for final submittal to both the TCEQ and the TWDB.

Mr. Williams made a motion to approve Item 22. Mr. Arrellano seconded.

After no further discussion, Item 22 was unanimously approved. Electronic voting.

Ms. Jasso commented that she had Ms. Guz speak at a couple of events, and how impressed they were with the work SAWS was doing.

Mr. Arrellano commented on Ms. Guz’s presentation at the Water Smart Conference in October. There were so many people that wanted to hear what she had to say from across the country, and people paid attention to what she had to say.

Ms. Guz replied that she led a fantastic team; they were the rock stars.

Chairman Guerra thanked Ms. Guz for all her hard work and commitment.

23. A Resolution awarding a construction contract to H.L. Zumwalt Construction, Inc. in an amount not to exceed amount of $7,420,910.00 in connection with the 2015 Bi-Annual Asphalt Overlay Work Order Construction Contract with three additional one-year renewal options. Total expenditures: $7,420,910.00.

(MIKE BRINKMANN – ALISSA LOCKETT)

Alissa Lockett presented Item 23, the 2015 Bi-Annual Asphalt Overlay Work Order Construction Contract. She reviewed the contract purpose to restore asphalt paving following the repair or replacement of SAWS buried infrastructure. The City of San Antonio required a curb to curb mill and overlay of roads that were in good condition prior to the excavation. The City of San Antonio Right of Way staff established the limits of the pavement restoration in coordination with SAWS foremen.

She reviewed photos to illustrate the different types of streets and kinds of pavement restoration done that included mill and overlay and patches. The contract would utilize work orders issued to the contractor and managed by staff.

She discussed the bid results. There was an estimated cost of $7.4 million. The low bid was from H.L. Zumwalt Construction of $7,420,910.00, and the second low bid was Interstate Barricades and Markings of $9,298,033.50. Zumwalt’s bid amount was only 0.28 percent over the engineer's cost estimate, and their SMWB participation was 41.91 percent because they subcontract most of the work to J&P Paving. Staff recommended the
award of a construction contract to H.L. Zumwalt Construction and approval of funds in the amount of $7,420,910.00.

Mr. Arrellano made a motion to approve Item 23. Mr. Rowe seconded.

Mr. Williams inquired about the contractors’ work experience with SAWS and the number of bids received. Ms. Lockett responded that Zumwalt had the prior contract that started in 2012. She stated the City had often struggled to get bids as well. They only had three bids on another task order contract. One of the things that was looked at was the bonding limits of some of the smaller asphalt companies and the possibility of splitting the contract into multiple contract, but then it became more difficult to manage.

Mr. Williams commented on the number of people bidding SAWS jobs, in general. He stated he was particularly sensitive to a contractor that had a job for many years because then other contractors looked at that like it was their job. It concerned him that the bid came in so close to the engineer's estimate and that there were only two bids. He suggested looking at different bonding situations to get more people in and to get better prices.

Ms. Merritt inquired about the quality of Zumwalt’s work. Ms. Lockett replied their work efforts were still very good, and staff would meet with them regularly whenever they fell behind schedule. The public would see the streets back into the best shape that they can be so everybody was concerned with scheduling. It's something that staff managed every day.

After no further discussion, Item 23 was unanimously approved. Electronic voting.

25. Inquiries.

Mr. Rowe requested a follow-up briefing on the citizen’s statement regarding mining the aquifer beyond its recharge capability. Mr. Puente confirmed.

26. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF MARCH 3, 2015, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of March 3, 2015, adjourned at 10:40 a.m.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________
Patricia E. Merritt, Secretary
MINUTES
BOARD OF TRUSTEES
POLICY AND PLANNING MEETING
SAWS Headquarters, 2800 U.S. Hwy 281 North, San Antonio, TX 78212
Tower II, Customer Center Building, Multi-Purpose Room (Room #145)
March 23, 2015, 12:30 p.m.

Board Members Present:
Berto Guerra, Jr., Chairman
Louis E. Rowe, Vice Chairman
Pat Merritt, Secretary
Pat Jasso, Assistant Secretary
Ernesto Arrellano, Jr., Trustee
W. Reed Williams, Trustee

Board Members Absent:
Ivy R. Taylor, Mayor

1. MEETING CALLED TO ORDER

The Policy and Planning meeting of the San Antonio Water System Board of Trustees was held on
March 23, 2015, and called to order at 12:33 p.m. by Chairman Berto Guerra.

2. Briefing and deliberation regarding Non Revenue Water (continued)

Patrick Shriver presented a continued discussion on Non Revenue Water. He gave a brief recap of
the discussion on non revenue water at the February Policy and Planning meeting. Water Systems
Optimization (WSO) was hired to perform an independent review of SAWS 2012 data. They
focused on cost effective implementation, and addressed the cost savings and optimizations of the
benefits non revenue water provided.

He reviewed a data chart that reflected the percentage by volume of non revenue water for 2011
data. SAWS was listed at 16.7 percent, which was the Texas average; the U.S. average was 16
percent. He pointed out that not all utilities were built the same, and the percentages by volume
comparison had some limitations and was not always the best measure.

He discussed the use of performance indicators. The first performance indicator was Infrastructure
Leakage Index (ILI). Since 2003, Texas was the first state to essentially adopt standardized audits
with the AWWA audit methodology. The ILI was being used for SWIFT funding considerations
through the Texas Water Development Board. The target would be to maintain ILI below 3.0.
SAWS was currently at 2.5 using the bottom up audit procedures performed by WSO, and also
would be in compliance using the top down auditing procedures done in-house. There were other
performance indicators that included real losses per service connection per day, apparent losses per
connection per day, and financial indicators.
He reviewed the authorized or business water use that was important for public health and safety, which made up about three percent of volume. This category was highly variable and a lot of items were estimated. There were some pending regulatory items coming through the Texas Commission on Environment Quality about flushing utility lines for water quality. San Antonio used a large amount of groundwater and other utilities throughout the state used a lot of surface water so flushing mains was different for different types of utilities. This was the highest amount of variability in the category. SAWS had invested a good amount into replacing some of the meter population to address the apparent loss. This was typically mechanical meters with errors that were running slow. Based on the broad statistical analysis done by WSO, the apparent loss was estimated at about two percent. The replacement program was replacing a huge amount of meters that were 15 years or older. Moving forward, replacements would be based more on age and performance. He discussed the real physical losses in the system that was associated with non-revenue water. These were primarily associated with the distribution system and SAWS was estimated at about 10 percent. He reviewed a chart that summarized the non-revenue water based on the percentages of the 2012 data analyzed by WSO.

He reviewed the recommendations from WSO for the different areas of authorized use, apparent loss, and real loss. Many of the recommendations were existing and ongoing. Some were already being worked on or had been done in the past. One of the recommendations for authorized use was to standardize and review the lubrication of lines. The wells required water to keep the shafts lubricated and prevent overheating, scoring or breaking. Staff would look at minimizing these lubrications practices and down-sizing lines to apply just the right amount. This would be a significant savings in future to reduce the amount of water. Another recommendation was to verify the use of the Aquifer Storage and Recovery (ASR). There was a lot of ASR production into the distribution system. The meters became more important for the overall calculations as the amount of ASR water that was moving back into the distribution system grew. For apparent losses, SAWS dealt with over 400,000 meters, and WSO recommended continuing to test on an annual basis. They also recommended additional leak detection activities that would better define and focus leak detection, and to include better data collection and management of leak detection findings.

He reviewed how to take the consultant’s recommendations and figure out a roadmap that would work for SAWS. The implementation would affect different areas of the organization and staff would need to account for all of those impacts. The standardized use of water lubrication and quality assurance and control of the data would be important in Production. An increase in proactive leak detection over the next four years of 50 percent of the system annually would help educate and determine a good response time for Distribution & Collection. Customer Service would continue random statistical sampling, and visit policies and procedures for revenue recovery. Less than half of one percent of SAWS meter population accounted for 25 percent of the water produced or consumed. Automatic Metering Infrastructure would do a lot for the Customer Service side and would do a lot to define those water losses beyond the meter. He discussed the magnitude of data management to capture all the different uses and losses throughout SAWS. Another initiative would be the proposed budget allocations for the implementation of the different items, and also the investigation of pressure management. It would be important to quantify the pressures in the system, and it may require infrastructure investment to move towards full pressure management.
He discussed some perspectives and expectations. In the authorized category there was a potential to recapture about 1,920 acre-feet or about 0.8 of a percent by minimizing lubrication. One of the issues with this category was it was a very variable category. For the apparent loss category, programs were in place to improve the capture of data. In the real losses category, there was a potential of about 3,300 acre-feet to be saved.

He reviewed the next steps. The core team was actively meeting and had received all of the WSO materials. Subgroups had been established to work more specifically on materials in their area. He stated there were no silver bullets. The process was logical, systematic, long-term, and iterative, and it would take some money.

Mr. Williams requested more information regarding the pressure systems and whether the system was in place. Mr. Ruiz discussed the different pressure zones and the elevated tanks, ground storage tanks, and high service pumps association with each zone. There were a lot of pressure monitoring points where data was collected. The tank levels were monitored throughout the day to determine when it was necessary to turn on the well pumps. Mr. Shriver commented that the system was demand responsive. Mr. Williams stated so there was not a system that monitored pressure loss. Mr. Shriver confirmed.

3. Briefing and deliberation regarding RFCSP Rating Factors

Richard Donat presented the rating factors for the Request for Competitive Sealed Proposal (RFCSP) process. The RFCSP process was a qualification based selection of a construction contractor and price was a component. The overall goal of the procurement process was to select the best value proposal. One of the advantages to using the method was a lower impact to routine operation within the treatment plants. This had led to a change in culture of the relationship between the utility and the contractor, and it changed to more of a partnering relationship using this process.

He reviewed the current rating criteria and the points or weight assigned to each criteria. The current criteria had a generalized grouping of items so there was not a way to break out and see exactly why a firm was selected over another firm, and there was not enough objectivity in some of the measurements. The price was currently a sliding scale that was based off the lowest bid price received. To review the current process, 12 projects were evaluated using the current criteria. He reviewed the percentages over the low bid for the 12 projects. The most problematic were the projects that were 10 percent greater than the lowest bid. Through this analysis, it was determined that projects above 10 percent of the lowest bid may not give the best value. Best value was a combination of price and qualifications. Based off this analysis, a best value criteria was developed that included more measurable criteria, consideration of SAWS past experience with the contractor, best value price less than 10 percent over the lowest bid, increased weight of the price criteria, and consideration of an additional five points for the firm that submitted the lowest proposal. Through this analysis, 20 different methodologies or 20 different ways to weigh price were considered. He compared the three that stood out the most. He stated it was important to note that for each of the new criteria, the proposal was penalized if it was above 10 percent of the low bid. The one that provided the best value was the criteria with 50 points for price and the current sliding scale.
He reviewed a breakdown the new proposed rating criteria. Project experience would be detailed measurable evaluation criteria of three projects of similar size and scope over the past seven years for a pipeline or ten years for treatment facility projects. Safety would include indicators, which would be OSHA violations such as the Experience Modifier Rate and Total Recordable Incident Rate. For the Schedule, the contractor would be required to provide an original schedule and a final construction schedule for the three projects submitted. These schedules would be evaluated on timeliness and completeness. There would also be a written section to discuss any change orders that increased the length of the schedule. On SAWS Past Performance, the contractor would be required to provide at least three of their projects for SAWS over the past seven years for pipeline or ten years for treatment facilities. An advantage would be no penalty for firms that had not worked with SAWS in past. The evaluation would be based on a contractor's record with SAWS including the project schedule and budget, and would come from Contracting and from the inspectors and engineers who had worked with the firm. For Project Approach, the contractor would provide a narrative of how they plan to complete the project. They would provide a milestone schedule and their method to complete the project. There also would be additional points awarded if they provided an innovative way to provide a successful project for SAWS. Team Experience would be another detailed measurable evaluation criteria where the resumes and experience of the group would be reviewed to make sure it fit the project. Price would be the final component with a sliding scale beginning at 50 points. Firms that provided a bid greater than 10 percent of the lowest bid would only be eligible to receive 25 total points. The goal would be to utilize the proposed criteria for two years to make sure the results were not different than anticipated. Also, there were some projects that may be more complex or may require a more qualification based approach with different weighting criteria.

Chairman Guerra commented on the changes to the rating criteria. He asked if it would be a more level approach to receive better deals. Mr. Donat confirmed. There were contracts awarded to bidders who were 30 percent over the lowest bid, which may not have provided the best value for the System. Staff was trying to adjust pricing and qualifications to find the right balance for those projects.

Mr. Williams commented on the safety criteria and the use of OSHA violations. The recordable rate was fine if a 12-month trailing was used. It was clear-cut and most people kept up with that now. He suggested the use of fatalities due to the severe penalty, and to consider relooking at safety because there may be some push back on OSHA violations and the experience modifier. He also suggested looking at their safety program.

Mr. Williams inquired about the criteria for project experience and the penalty of a new person only receiving half of the points. Ashok Kaji clarified that they would submit their past relevant experience similar to the project. Based on that, they would at least start at minimum, plus they would receive additional points based on their past record. Mr. Williams stated it would still be a judgment issue.

Mr. Williams commented on the sliding scale. He stated it was a proportional sliding scale for the bids less than 10 percent of the low bid. He said the statement that 10 percent over might not give the best value again was a judgment. He commented that was not much of a penalty to be within 10 percent, but was a huge penalty once it was over 10 percent.
4. Briefing and deliberation regarding Merchant Services

Ms. Garcia gave a presentation on Merchant Services. SAWS offered multiple payments options, one of which was to pay by credit or debit card. In 2014, there were over one million transactions paid by credit or debit cards. Of those transactions, 68 percent went to the website, 18 percent were over the automated telephone system, 11 percent were from the Call Center, and three percent were paid through the Customer Service Centers. To process credit and debit card payments, SAWS incurred fees of over $1.4 million in 2014, which was up from $800,000 in 2010. Credit and debit card payments increased 67 percent since 2010, but the fees increased 77 percent. Currently, SAWS was paying all of the fees associated with the credit and debit card transactions. Therefore, the costs of these transactions were borne by all of SAWS customers.

Based on the feedback from the last Board Meeting, customers utilizing these services should cover their cost of the credit and debit card transactions. However, there was a question as to who should accept the payments and charge the convenience fee. The first question asked was would the card vendors allow SAWS to charge a convenience fee. Based on research of the card association rules and feedback from the vendors, MasterCard, VISA, and American Express would allow SAWS to charge customers a convenience fee directly. It could be either fixed or variable, and would not matter how the payment was initiated. However, VISA rules stated that a merchant could charge a fee, but the fee must be fixed and the merchant could not charge a fee for face-to-face transactions.

If it was decided that SAWS could charge a convenience fee to the customers rather than through the third party, the next steps needed to complete the process would be to go out with an RFP to solicit a third-party processor, to determine the amount of the convenience fee, to get City Council approval of the fee, and to update the systems, website, IVR, and Customer Service systems. SAWS would also need to maintain PCI compliance, which was Payment Card Industry compliance. SAWS would need to ensure compliance with the Card Association rules and regulations, and would need to be adaptable to changing the payment methods such as mobile payments and other types of methods. Based on these steps, should SAWS choose to implement this fee itself, it would take until January 2016 to implement.

She reviewed the next steps should SAWS choose to go with a third party to accept and process the credit card transactions. An RFP was issued in September to select a vendor. Negotiations were underway with a recommended vendor based on the response of the RFP. An item could be brought to the Board at the April meeting for consideration. The work would begin to implement by the target date of July 1, and customer communication would be key.

Outsourcing this third party acceptance and processing of credit and debit card payments was widely done in the utility industry. CPS Energy outsourced their credit and debit card transactions to JP Morgan Chase. The residential customer paid a credit card charge of $2.35 for a transaction amount up to $1,000, and the commercial charge was based on a sliding scale with $6 for a transaction up to $1,000 and $350 for a transaction up to $10,000. Also, the cities of Austin, Houston, and El Paso outsourced the acceptance of their credit card payments.

She reviewed SAWS issue of an RFP back in September to solicit a third-party vendor. Nine proposals were received. The Selection Committee chose to interview four of those proposals, and
asked them to provide more detail of the payment processing including their customers experience, payment detail to SAWS, and proposed fee.

Outsourcing the acceptance and processing of credit and debit card payments could enhance the customer service opportunities by allowing more flexible payment options such as recurrent payments. Currently, customers had to enter their credit card information each time they made a transaction, since the card information was not stored. A third party could store that information and make it easier for the customer. The vendor would have to maintain a higher level of PCI compliance, and the vendor would be required to make sure they are in compliance with all the Card Association rules and regulations. Since the acceptance and processing of the credit and debit card payments was a core business of the vendor, they should be able to adapt quickly to any changing payment landscape such as new options to make payments. There was also a potential for staff efficiencies by reduced call volumes in the Call Centers and the opportunity for IS staff and Remittance Processing staff to focus on other functions.

She recommended outsourcing the acceptance and processing of credit and debit card payments to a third party rather than SAWS charging the convenience fee. This would result in the customer paying a convenience fee to a third party. Staff would target the April meeting for Board approval, and then July 1 for implementation. Staff's recommendation would be to contract with Value Payment Systems, which was one of the respondents. The Evaluation Committee consisted of seven individuals from the IS Department, Customer Service, Communications, and Finance. The recommendation of Value Payment Systems was based on their proposal of how to handle payments at the Customer Service Centers, other interphase capabilities of SAWS system, and proposed implementation schedule. Although they were not the lowest proposed fee, they were competitive. She reviewed the breakdown of fees for the residential and commercial customer transactions, and the communication with the customer to implement the process. Multiple channels would be used to communicate this to the customers through bill inserts, press releases, SAWS newsletters, emails to customers, website, banners and signs at the Service Centers, and through social media such as Twitter and Facebook.

Ms. Jasso asked if the cost of the third party would be covered by what the customers paid. Ms. Garcia confirmed. SAWS would incur no fees associated with any of the transactions. The fees that the customer was charged would cover the entire cost for the vendor to provide the service. Mr. Evanson commented that SAWS was currently bearing the costs. Now, the customers that used the service would pay the fee. SAWS would see a $1.4 million reduction in operating costs.

Ms. Jasso inquired about the initial cost to set up the system. Ms. Garcia replied there was no cost to SAWS for set up. The vendor believed they would recover their cost through the fees that the customers would pay. Mr. Rowe asked what was estimated they would recover. Ms. Garcia responded that based on 2014 data, the revenue that could be generated by the third party would be $2.2 million, which was $800,000 above SAWS cost. She added that the vendor would not pay the lowest interchange rate that SAWS paid, and they would have to cover their cost of call center and overhead.

Ms. Merritt inquired about how much advance notice the customers would receive. Ms. Garcia replied that should the Board approve the contract, the implementation and communication to the customers would start immediately so a minimum of two months.
Mr. Williams inquired about the fee range for the other proposals. Ms. Garcia replied the range of the residential was $1.45 to $2.25 and Value Payment Systems was the third lowest.

Mr. Williams inquired about the maximum transaction amount for commercial and whether that meant for ever $1,000 transaction the customer would get another fee. Mr. Evanson confirmed. Ms. Garcia commented from July to October of last year the average bill for a commercial account was $856, which was about 15 percent of the payments above $1,000. Of the 12,700 payments from that time frame for the year, less than 2,000 were above $1,000.

Mr. Williams commented on the complaint that the system did not keep the credit card information. Ms. Garcia replied that was not something SAWS wanted to do. Mr. Williams stated his concern that the two months to communicate to the customer may not be enough. He recommended getting the information out about the no-cost options available. He asked if there was an estimate on the reduction of costs for staff. Ms. Garcia responded that it would not be a reduction in staff head count because the current staff would be used other places. Mr. Evanson commented that some of the call center staff was augmented with some additional temporary help so hopefully this could be used.

Mr. Rowe asked why SAWS would not choose to take the revenue. Mr. Evanson responded that SAWS would not be able to charge the same fee. SAWS would get the lower utility rate so the SAWS rate would be something less. Most of the fees were based upon cost of service. In addition, this would have to go to City Council for approval. He believed the best practice was to utilize an outside vendor.

5. Briefing and deliberation regarding Revisions to SAWS Utility Service Regulations

Mr. Mills gave a briefing on proposed revisions to the SAWS Utility Service Regulations. The proposed changes were discussed at length with the professional engineers in private practice, the greater San Antonio Builders Association, the Association of General Contractors, and the Real Estate Council of San Antonio. The proposed changes had also been on the SAWS website since December of last year. The proposed revisions were also brought to the SAWS Development Task Force.

He reviewed the version history. The regulations were passed by SAWS Board back in 2003, and there had been ten amendments to these regulations since that point. This amendment would include the clarifications of some points and amendments to several sections. He referenced a copy of the draft regulations that was distributed to the Board.

The first significant change was in Section 5.2, which established the requirements for a Utility Service Agreement (USA). Currently the section stated development of more than 50 EDUs, and the recommended change would be 100 EDUs. The system typically had enough capacity at most points. Another change would be to remove the requirement if the only criteria was the development was in the Camp Bullis Awareness zone. The regulations still required the developer to follow the lighting requirements and necessary notifications to the U.S. Fish and Wildlife. Development over the recharge or contributing zone would still require a USA. Clarification was made that a USA was required both for on-site and off-site facilities, such as a lift station. USAs
were also required when there was an off-site extension greater than 300 feet; an on-site extension would not always need a USA.

The next section was regarding lift stations and force main systems. The economic feasibility requirements were strengthened. Specifically, the developer must show that the cost of the gravity main was at least three times more than the lift station, force main and maintenance expense. Over the last year, there were about 11 new lift stations that were either constructed or applied for, and two of those could have been eliminated based on the new criteria. It was also changed to specify that lift stations and force mains were not eligible for pro-rata refunds.

He reviewed the proposed changes for the oversizing component. The developer's share of an oversize project had been $40 per foot, and that was changed to $60 per foot. In the past, SAWS had supplied pipe for the developer's contractor to install, and sometimes the developer asked for reimbursement through the installation costs. The change would allow reimbursement through credits on installation costs, but it would have to go through the public bid process. This would be clarified in the regulations. For the off-site easements acquisition reimbursement, the reimbursement would be up to five percent of construction cost. This would not be eligible for on-site easements or for easements from the participation of use in developers in construction.

Mr. Williams commented on the organizations that were briefed on the proposed changes and recommended that staff brief the folks at American Water Works Association. Mr. Mills confirmed.

Mr. Williams asked if staff briefed Jim Cannizzo or the military in reference to the requirement for a USA in the Camp Bullis Awareness Zone. Mr. Mills replied they had not vetted this fully with Mr. Cannizzo. Mr. Williams requested that staff talk to Mr. Cannizzo to make sure he was in support. Mr. Mills confirmed.

Mr. Williams asked for further clarification regarding the proposed change with the lift stations and force mains. Mr. Mills explained that the current cost was the lift station and force main plus 30 years of O&M. The change included the cost of the lift station, force main and 10 years of O&M and that amount times three.

Mr. Williams asked for clarification regarding the lift stations and force main not eligible for pro-rata refunds. Mr. Mills explained that currently SAWS allowed a developer to ask for a pro-rata refund if they build a main and other developers tied onto it to use the capacity. SAWS would collect a pro-rata refund to reimburse the developer. SAWS did not make anything off of the refund; it was just a pass-through from one developer to another. This had not been done in the past so it would be clarified in the regulations. Mr. Williams commented then it was not something new and it was something that was being reinstated or formalized. Mr. Mills confirmed.

Mr. Williams asked for clarification regarding the oversizing component and whether the cost per foot was cost per linear foot. Mr. Mills confirmed it was linear foot. He stated the minimum really only applied for an 8-inch main. Normally, it was the over-sizing based on the area of the pipe on the flow capacity. The $60 per linear foot really only applied to 8-inch mains because a 16-in main already had a ratio higher than $60 per linear foot in the calculation.
Mr. Williams thanked Trustees Rowe and Arrellano and staff for their work on the regulations. Chairman Guerra concurred.

6. DISCUSSION OF POTENTIAL ITEMS FOR FUTURE POLICY & PLANNING MEETINGS

None

At this point in the meeting, an Executive Session was held. The time was 1:58 p.m.

7. EXECUTIVE SESSION. At any time during the meeting the San Antonio Water System Board of Trustees may hold an Executive Session pursuant to the Texas Open Meetings Act, Texas Government Code Section 551.071 to consult with its attorneys in connection with any of the items being considered during the meeting, and to discuss the matters listed below pursuant to Texas Government Code Sections 551.071 and 551.074:

A. Consultation with attorneys and deliberation regarding San Antonio Water System Board of Trustees v. Seyah Transportation, LLC, et al.; Cause No. 2014-CI-11136, 224th Judicial District Court, Bexar County, Texas.

B. Deliberation regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer; and consultation with attorneys concerning legal issues regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer.

8. RECONVENE REGULAR SESSION

The meeting reconvened at 3:10 p.m. Chairman Guerra stated that no decisions were made in Executive Session.

9. ADJOURNMENT

Meeting adjourned at 3:11 p.m.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Patricia E. Merritt, Secretary
TO: San Antonio Water System Board of Trustees  
FROM: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: Acceptance of Bids for Services, Equipment, Materials and Supplies  

The attached resolution accepts bids and awards contracts for services, equipment and supplies as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services (December 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Contracts (SMWB) Estimated Amount (SMWB)</td>
<td>Number of Contracts (SMWB) Estimated Amount (SMWB)</td>
<td></td>
</tr>
<tr>
<td>8 6 2,755,775.38 2,254,603.00</td>
<td>11 9 2,967,322.73 2,466,150.35</td>
<td></td>
</tr>
<tr>
<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements (December 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Contracts (SMWB) Estimated Amount (SMWB)</td>
<td>Number of Contracts (SMWB) Estimated Amount (SMWB)</td>
<td></td>
</tr>
<tr>
<td>5 2 2,546,914.00 2,300,089.00</td>
<td>29 12 7,897,274.64 5,419,091.29</td>
<td></td>
</tr>
<tr>
<td>13 8 5,302,689.38 4,554,692.00</td>
<td>40 21 10,864,597.37 7,885,241.64</td>
<td></td>
</tr>
<tr>
<td>SMWB Purchasing Contracts (percentage)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>61.54% 85.89%</td>
<td>52.50% 72.58%</td>
<td></td>
</tr>
</tbody>
</table>

***********************************************************************************************************************************************

Approved:  
Robert R. Puente  
President/Chief Executive Officer

Reviewed:  
Marisol V. Robles  
SMWB Program Manager
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES ACCEPTING BIDS AND AWARDING
CONTRACTS FOR THE PROCUREMENT OF CERTAIN
SERVICES, EQUIPMENT, MATERIALS AND SUPPLIES;
AUTHORIZING EXPENDITURES TO PROCURE THE SAID
SERVICES, EQUIPMENT, MATERIALS AND SUPPLIES;
AUTHORIZING THE DIRECTOR OF THE PURCHASING
DIVISION, OR HIS DESIGNEE, TO EXECUTE DOCUMENTS
RELATED THERETO; FINDING THE RESOLUTION TO
HAVE BEEN CONSIDERED PURSUANT TO THE LAWS
GOVERNING OPEN MEETINGS; PROVIDING A
SEVERABILITY CLAUSE; AND ESTABLISHING AN
EFFECTIVE DATE

WHEREAS, the Director of the Purchasing Division of the San Antonio Water
System (the "System") has recommended certain bids be accepted, that certain contracts be
awarded, and that certain other actions be taken to procure services, equipment, materials and
supplies which are necessary for the operation of the System; and

WHEREAS, the said recommendations are fully set out in "Attachment I" which is
attached hereto and made a part hereof, and said recommendations have been approved by the
System’s President/Chief Executive Officer; and

WHEREAS, the appropriate bidding procedures regarding the procurement of
goods and services have been adhered to in the compiling of the attached recommendations, as
reflected in administrative records supporting this resolution; and

WHEREAS, funds are available in the System’s budget to pay for the required
services, equipment, materials and supplies; and

WHEREAS, the Board of Trustees of the San Antonio Water System desires (i) to
accept the bids and award the contracts as recommended, (ii) to authorize from available funds of
the System the expenditures necessary to carry out the recommended procurements, and (iii) to
authorize the Director of the Purchasing Division or his designee to execute all contracts and other
documents necessary to carry out the recommended procurements; now, therefore:

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

1. That the bids are accepted and the contracts are awarded for procurement of the services,
equipment, materials and supplies listed in Attachment I, as recommended by the Director of the
Purchasing Division.

2. That the expenditure of the necessary funds from the appropriate budget fund of the System
for the procurement of the said services, equipment, materials and supplies is hereby authorized.
3. That the Director of the Purchasing Division, or his designee, is hereby authorized to notify bidders of the acceptance of bids, to execute contracts and other documents, and to carry out all other actions necessary to procure the said services, equipment, materials and supplies.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 18th day of May, 2015

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Secretary
Award of New One Time Purchases of Materials, Equipment or Services

A. The following items will establish price and delivery for the one time purchase of Materials, Equipment and Services. These items are included in the current budget. Payment will be made from the applicable fund.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grande Truck Center (SBE)</td>
<td>Purchase five (5) each 66,000 GVWR Cab and Chassis (Single Cab) Trucks with Installed 10 Cubic Yard, Single Engine, Combination Jet/Vacuum Sewer Cleaning Machines</td>
<td>All</td>
<td>$1,846,795.00</td>
<td>These units are part of the vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td>2. Associated Supply Co., Inc. (SBE)</td>
<td>Purchase of one (1) each Four Wheel Drive, rubber tire articulated loader (4 cubic yard)</td>
<td>A</td>
<td>$184,991.00</td>
<td>This unit is part of the vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
<tr>
<td>3. JCB South Texas</td>
<td>Purchase of six (6) each Tractor, Four-Wheel-Drive with ROPS/FOPS canopy, front mounted bucket and rear mounted extendible backhoe, (platform type)</td>
<td>B</td>
<td>$434,099.22</td>
<td>These units are part of the vehicle equipment replacement program and will be assigned to System locations. While we only received two bids on this item, we did review the bid tabulation from the last time we purchased these items in 2013. At that time, we received a total of six bids with the lowest two bids coming from the two vendors above. As a result of this analysis, we recommend accepting the low bid above the</td>
</tr>
<tr>
<td>4. Silsbee Ford (SBE)</td>
<td>Purchase of one (1) each 15,000 GVWR (minimum) 4 door, crew cab truck with mounted fiberglass utility body</td>
<td>B</td>
<td>$60,963.00</td>
<td>This unit is part of the vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
</tbody>
</table>

*Indicates vendor is an SMWB, unless otherwise noted vendor is non minority.
**Award of New One Time Purchases of Materials, Equipment or Services**

A. The following items will establish price and delivery for the one time purchase of Materials, Equipment and Services. These items are included in the current budget. Payment will be made from the applicable fund.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silsbee Ford (SBE)</td>
<td>Purchase of one (1) each 9,900 GVWR (minimum) single rear wheel, two wheel drive, extended cab truck with installed service body</td>
<td>C</td>
<td>$85,378.00</td>
<td>This unit is part of the vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
<tr>
<td>Silsbee Ford (SBE)</td>
<td>Purchase of one (1) each 9,000 GVWR (minimum) 4x4 wide and short type bed (no fender outside) extended, club, super cab pickup truck</td>
<td>I</td>
<td>$36,553.00</td>
<td>This unit is part of the vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
<tr>
<td>Silsbee Ford (SBE)</td>
<td>Purchase of one (1) each 9,000 GVWR (minimum) 4x4 wide and short type bed (no fender outside) extended, club, super cab pickup truck with mounted 1,300 lb. powered lift gate</td>
<td>J</td>
<td>$39,923.00</td>
<td>This unit is part of the vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
<tr>
<td>Graybar</td>
<td>Purchase of Rack Cabling Components and Accessories</td>
<td>All</td>
<td>$67,073.16</td>
<td>This contract will be utilized for a one time purchase of rack cabling components and accessories for the Information Systems Department. The purpose of this purchase is to provide for rack cabling components and accessories to be used for the relocation of our back-up data center.</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitol Aggregates, Inc.</td>
<td>Annual Contract for Cement Aggregates (Bulk Materials)</td>
<td>All</td>
<td>$ 82,725.00</td>
<td>This is to add funds to an existing contract. This contract will be utilized by SAWS for the purchase of Cement Aggregates (Bulk Material) on a as needed basis by the Distribution &amp; Collection Division. Additional funds in the amount of $82,725.00 are added for current period due to D&amp;C increasing the production of its quick set flowable used in the various SAWS maintenance and repair projects which has resulted in an increase usage of cement aggregate bulk. This contract item is being rebid.</td>
</tr>
<tr>
<td>IPC (USA), Inc. (SBE)</td>
<td>Annual Contract for Diesel Fuel (COSA A297)</td>
<td>All</td>
<td>$2,205,089.00</td>
<td>This is a renewal of an existing contract. This a City of San Antonio contract. This contract will be utilized to provide Diesel used for on road vehicles and equipment utilized by System. Original award was for a three year period. IPC (USA), Inc. has performed well during the contract period and System has determined pricing to be favorable. Second extension total $2,205,089.00. This contract extension will be effective June 1, 2015 through May 31, 2016.</td>
</tr>
</tbody>
</table>

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority. Board Date: May 18, 2015
<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Anderson Machinery SA, Inc.</td>
<td>Annual Contract for Mobile Cranes Ten Tons and Larger Parts and Service Bid No. 15-8033</td>
<td>All</td>
<td>$51,300.00</td>
<td>This is a new contract. This contract will be utilized by SAWS for the inspection, load testing and repair of SAWS fleet of mobile cranes larger than 10 tons. This contract will be effective June 1, 2015 through May 31, 2016. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved for in future years budgets. We only received one bid to inspect, test and repair the 23 mobile cranes within our fleet which possess a lifting capacity greater than 10 tons. Anderson Machinery is one of only two vendors authorized and certified to service National/Grove cranes in this area. In contacting the second authorized vendor, we were informed that they can only service the cranes and cannot do inspections or load testing. In order to ascertain that we were being assessed a reasonable fee for the services procured; we compared the proposed fee amounts to the last bid for these services in 2013, noting the bid amounts to be</td>
</tr>
<tr>
<td>4. Marcan Underwater Services, LLC (SBE)</td>
<td>Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection Bid No. 15-8078</td>
<td>All</td>
<td>$95,000.00</td>
<td>This is a new contract. This contract will be utilized for the purchase of Potable &amp; Reuse Water Storage Tank Cleaning &amp; Inspection Services for SAWS on an as needed basis. This contract will be effective Date of Award (May 18, 2015) through December 31, 2015. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of two (2) one-year options to extend as provided for and approved for in future years budgets.</td>
</tr>
</tbody>
</table>

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

Board Date: May 18, 2015
<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Warner Cable Enterprises, LLC</td>
<td>Multi Year Contract for Backup Internet Service Bid No. 15-1183</td>
<td>All</td>
<td>$ 112,800.00</td>
<td>This is a new contract. This contract will be utilized by SAWS for back-up internet service at our new back-up data center. The award for this contract will be Item 2 Alternative 2B (60 Month 200 Mbps Symmetrical circuit). This contract will be effective Date of Award (May 18, 2015) and will end 60 months after the completed installation has been accepted. In order to provide carrier diversity, the internet provider carrier diversity, the internet provider for the backup system must be different than the provider for the headquarters internet circuit.</td>
</tr>
</tbody>
</table>

$ 2,546,914.00
# SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

## TABULATION OF BIDS

**PROPOSAL FOR:**

- **TIME & DATE:** 3:00 p.m., March 26, 2015

**ITEM NO.**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>66,000 GVWR cab chassis, (single cab) with installed 10 cubic yard, single engine, jet/vacuum sewer cleaning machine, complete, per specifications</td>
<td>$369,359.00</td>
<td>$1,846,795.00</td>
</tr>
<tr>
<td></td>
<td><strong>Manufacturer and Model</strong></td>
<td><strong>2016 4700 Western Star with Vactor 2100 plus jet/vac</strong></td>
<td><strong>2016 Freightliner 114SD Chassis Vactor Mfr - 2100 Plus</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Terms</strong></td>
<td><strong>Net 30 days</strong></td>
<td><strong>Net 30 days</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Delivery</strong></td>
<td><strong>210-240 days</strong></td>
<td><strong>90-150 days</strong></td>
</tr>
</tbody>
</table>

*LOW BIDDER*

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

- Doggett Freightliner of South TX
- Grande Truck Center
- French-Ellison Truck Center
- Rush Truck Center of SA
- Santex Truck Center

**Demandstar**

**SAWS Website**

**15-15023**
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  
**TABULATION OF BIDS**

**FOR:** Purchase of Various Types of Construction Equipment  
**TIME & DATE:** 3:00 p.m., February 27, 2015

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>MAKE/MODEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Four Wheel Drive, rubber tire articulated loader (4-cubic yard), complete, per specifications</td>
<td>184,991.00</td>
<td>187,182.06</td>
<td>Case 821F Tier 4 Final</td>
</tr>
<tr>
<td></td>
<td>State Make and Model</td>
<td></td>
<td></td>
<td>JCB 457ZXT4F</td>
</tr>
<tr>
<td>B.</td>
<td>5 ea. Tractor, Four-Wheel-Drive with ROPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe, (platform type), complete, per specifications</td>
<td>77,487.00</td>
<td>434,099.22</td>
<td>JCB 3CX-14 Super T4F</td>
</tr>
<tr>
<td></td>
<td>State Make and Model</td>
<td>464,922.00</td>
<td></td>
<td>NO BID</td>
</tr>
</tbody>
</table>

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

ASCO  
Equipment Depot  
Holt Equipment  
JCB South TX  
RDO Equipment  
Romeo Equipment Co.  
Waukesha Pearce Ind.

**LOW BIDDER**

Demandstar  
SAWS Website
<table>
<thead>
<tr>
<th>State Make and Model</th>
<th>Delivery Days</th>
<th>State Make and Model</th>
<th>Delivery Days</th>
<th>State Make and Model</th>
<th>Delivery Days</th>
<th>State Make and Model</th>
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<th>Delivery Days</th>
<th>State Make and Model</th>
<th>Delivery Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 or 14 Chev Traverse</td>
<td>90-120 days</td>
<td>2016 Ford F350 SD</td>
<td>120 days</td>
<td>2015 Ford F150 Super Cab</td>
<td>120 days</td>
<td>3.500 GVWR (minimum) single cab, 2-door, short bed, (no outside fenders)</td>
<td>90-120 days</td>
<td>2015 Ford F250 4x4 Super Cab X2B</td>
<td>120 days</td>
<td>2015 Ford F350 SD</td>
<td>120 days</td>
</tr>
<tr>
<td>NO BID</td>
<td>2016 Ford F250 4x2 Super Cab X2B</td>
<td>120 days</td>
<td>NO BID</td>
<td>2016 Ford F250 4x2 Super Cab X2B</td>
<td>120 days</td>
<td>NO BID</td>
<td>2016 Ford F150 Super Cab X2B</td>
<td>120 days</td>
<td>NO BID</td>
<td>2016 Ford F350 Super Cab X2B</td>
<td>120 days</td>
</tr>
<tr>
<td>NO BID</td>
<td>NO BID</td>
<td>NO BID</td>
<td>NO BID</td>
<td>NO BID</td>
<td>NO BID</td>
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<td>NO BID</td>
<td>NO BID</td>
<td>NO BID</td>
<td>NO BID</td>
</tr>
</tbody>
</table>

*GVWR* = Gross Vehicle Weight Rating

**STATE MAKE AND MODEL**
- *Chevrolet Silverado 2500 HD Double Cab 4x4 (RK1 C63LPD)*
- *Ford F350 Super Cab X2B (US78C)*
- *Jeep Grand Cherokee SSV*
## Purchase of Various Types of Trucks

**SAN ANTONIO WATER SYSTEM**

**P.O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

### TABULATION OF BIDS

- **Purchase of Various Types of Trucks**
- **3:00 p.m., March 10, 2015**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Approx. Quantity</th>
<th>State Make and Model</th>
<th>Delivery Days</th>
<th>Term</th>
<th>Net</th>
<th>Net</th>
<th>Net</th>
<th>Net</th>
<th>Net</th>
<th>Term</th>
<th>Net</th>
<th>Net</th>
<th>Net</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>9,000 GVWR (minimum) 4x4 wide and short type bed (no fender outside) extended, slub, super &amp; 3,300 lb. powered lift gate, complete, per specifications</td>
<td>44,659.25</td>
<td>2015 Ford F250 Super Cab X2B (140-165 days)</td>
<td>180-210 days</td>
<td>30 days</td>
<td>2%</td>
<td>10 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>2016 Chevy Silverado 2500 HD Double (Ext) 4x4</td>
<td>39,923.00</td>
<td>2016 Ford F250 Super Cab X2B (140-165 days)</td>
<td>120 days</td>
<td>30 days</td>
<td>2%</td>
<td>10 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>2016 F250 Super Cab 4x4 w/liftgate</td>
<td>42,775.00</td>
<td>2016 Ford F250 Super Cab X2B (140-165 days)</td>
<td>140-165 days</td>
<td>30 days</td>
<td>2%</td>
<td>10 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>2016 F250 4x4 Super X2B (KD O/C/PH)</td>
<td>43,000.00</td>
<td>2016 Ford F250 Super Cab X2B (140-165 days)</td>
<td>180-210 days</td>
<td>30 days</td>
<td>2%</td>
<td>10 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LOW BIDDER**

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

- Ancira Chevrolet
- Bluebonnet Chrysler Dodge
- Caldwell County Ford
- Cavender Chevrolet
- Cowboy Chevrolet
- Dodge Superstore
- Grande Ford
- Grande Truck Center
- Grapevine DCJ, LLC
- Demarleter
- Lyle Park Toyota
- Red McCombs Dodge
- Red McCombs Toyota/Ford
- Sikes
- Siles 2014
- Tom Benson Chevrolet
- Toyota of Boerne

**SAWS Website**
## TABLEUATION OF BIDS

**SAN ANTONIO WATER SYSTEM**
**P.O. BOX 2249**
**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Edge HD Housing-4U (up to 48 Modules) Corning MTP(Non-Pinned) 12-Strand OM3</td>
<td>1</td>
<td>UNIT</td>
<td>3,207.54</td>
</tr>
<tr>
<td>2.</td>
<td>Edge HD Housing 1U (up to 8 Modules) Corning MTP(Non-Pinned) 12-Strand OM3</td>
<td>1</td>
<td>UNIT</td>
<td>379.11</td>
</tr>
<tr>
<td>3.</td>
<td>MIP Trunks: MIP(Non-Pinned) - MTP(Non-Pinned)</td>
<td>1</td>
<td>UNIT</td>
<td>95.27</td>
</tr>
<tr>
<td>4.</td>
<td>Tool LC Cleaner Corning 2014446-01 or approved equivalent</td>
<td>1</td>
<td>UNIT</td>
<td>65.04</td>
</tr>
<tr>
<td>5.</td>
<td>MTP Module; 12-Fiber LC Duplex-MTP (Pinned) OM3 Corning 6625670318</td>
<td>1</td>
<td>UNIT</td>
<td>347.21</td>
</tr>
<tr>
<td>6.</td>
<td>RM Enclosure: EDGE HD Housing-4U (up to 48 Modules) Corning MIP Trunks: MIP(Non-Pinned) - MTP(Non-Pinned)</td>
<td>1</td>
<td>UNIT</td>
<td>13,783.40</td>
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<tr>
<td>7.</td>
<td>2015 Equivalent Components and Accessories</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Product Name</td>
<td>Description</td>
<td>Price</td>
<td>Description</td>
</tr>
<tr>
<td>110</td>
<td>MTP Trunks: MTP(Non-Pinned) - MTP(Non-Pinned) 12-Strand OM3 (20) Corning 075750227105590500</td>
<td>1</td>
<td>1,335.48</td>
<td></td>
</tr>
<tr>
<td>120</td>
<td>MTP Trunks: MTP(Non-Pinned) - MTP(Non-Pinned) 12-Strand OM3 Corning 075750227105590500</td>
<td>1</td>
<td>1,335.48</td>
<td></td>
</tr>
<tr>
<td>130</td>
<td>MTP Trunks: MTP(Non-Pinned) - MTP(Non-Pinned) 12-Strand OM3 Corning 075750227105590500</td>
<td>1</td>
<td>1,335.48</td>
<td></td>
</tr>
<tr>
<td>140</td>
<td>MTP Trunks: MTP(Non-Pinned) - MTP(Non-Pinned) 12-Strand OM3 Corning 075750227105590500</td>
<td>1</td>
<td>1,335.48</td>
<td></td>
</tr>
<tr>
<td>150</td>
<td>MTP Trunks: MTP(Non-Pinned) - MTP(Non-Pinned) 12-Strand OM3 Corning 075750227105590500</td>
<td>1</td>
<td>1,335.48</td>
<td></td>
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<tr>
<td>160</td>
<td>MTP Trunks: MTP(Non-Pinned) - MTP(Non-Pinned) 12-Strand OM3 Corning 075750227105590500</td>
<td>1</td>
<td>1,335.48</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

*The above table is a tabulation of bids for the purchase of rack cabinet components and accessories. The table includes various items such as enclosures, trunks, and accessories, along with their respective unit prices and total costs.*
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Unit Price</th>
<th>Unit Qty</th>
<th>Ext. Price</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.17</td>
<td>16 ea. SRRWCY Panduit SRRWCY or approved equivalent</td>
<td>900.64</td>
<td>150</td>
<td>500.64</td>
<td></td>
</tr>
<tr>
<td>18.20</td>
<td>2 ea. CPPL-ASHWRLY Panduit CPPL-ASHWRLY or approved equivalent</td>
<td>320.50</td>
<td>500</td>
<td>166.88</td>
<td></td>
</tr>
<tr>
<td>19.19</td>
<td>2 ea. C6X6STGx2 Panduit C6X6STGx2 set of 16 each with a unique color and 2 sets of 48 each with a unique color</td>
<td>168.88</td>
<td>150</td>
<td>252.59</td>
<td></td>
</tr>
</tbody>
</table>
**SAN ANTONIO WATER SYSTEM**

P. O. BOX 2449
SAN ANTONIO, TEXAS 78229-2449

**TABULATION OF BIDS**

**DESCRIPTION AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>DELIVERY</th>
<th>TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AATD, LLC</td>
<td>Computer &amp; Office</td>
<td>21.21</td>
<td>456.94</td>
<td>Feb 28</td>
<td>Net 30</td>
</tr>
<tr>
<td>Alpha Omega Communications</td>
<td>Communications Services</td>
<td>21.85</td>
<td>468.98</td>
<td>Mar 25</td>
<td>Net 30</td>
</tr>
<tr>
<td>Artcom Communications</td>
<td>Computer Solutions</td>
<td>21.85</td>
<td>468.98</td>
<td>Mar 25</td>
<td>Net 30</td>
</tr>
<tr>
<td>ARC</td>
<td>Access Control</td>
<td>21.85</td>
<td>468.98</td>
<td>Mar 25</td>
<td>Net 30</td>
</tr>
<tr>
<td>ARC</td>
<td>Cabling Services</td>
<td>21.85</td>
<td>468.98</td>
<td>Mar 25</td>
<td>Net 30</td>
</tr>
</tbody>
</table>

**BID INVITATIONS E-MAILED TO ANBID PICKED UP BY:**

- 3C Technology, LLC
- A Marketing & Service Co.
- ACC Solutions
- AAS&T, LLC
- Absolute Communications & Network
- Alpha Omega Wireless Inc.
- Americas Telecommunications
- Approved Networks
- ARC
- Artcom Communications
- Avea Datacom Solutions
- Axion Communications LTD
- Bell Supply

**BID NOT TABULATED**

- BID NOT TABULATED DUE TO INCOMPLETE INFORMATION
- BID NOT TABULATED DUE TO NON-RESPONSE
- BID NOT TABULATED DUE TO NON-QUALIFICATION
- BID NOT TABULATED DUE TO NON-RESPONSE
- BID NOT TABULATED DUE TO NON-QUALIFICATION
Tabulation of Bids

Proposal For: Nimble Storage
Bid No. 508006
DIR DIR-SDD-2035
Date: Tuesday, March 31, 2015

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>PRICE/UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CS300, 2x1 Gige,Dual 10GbaseT (Qty. 2 pair), 12 x 2TB HDD, 4 x 900GB SSDs (Part Number: CS300-4T-24T-1200F)</td>
<td>$55,542.26</td>
<td>$111,084.52</td>
</tr>
<tr>
<td>2</td>
<td>4Hr Parts Del, SW Sup &amp; InfoSight - NextGen Arrays SYR (Part Number: SLA-4HR)</td>
<td>$32,024.59</td>
<td>$64,049.18</td>
</tr>
</tbody>
</table>

TOTAL $175,133.70 $276,133.70

Quotes were e-mailed to Nimble Storage DIR reellers:
Accudata Systems Inc
Austin Ribbon & Computer Supplies Inc
CDW Government LLC
En Pointe Technologies
GovConnection
Netsync Network Solutions Inc
Presidio
SHI Government Solutions Inc

*The Department of Information Resources (DIR) provides statewide leadership and oversight for management of government information and communications technology. By leveraging the state's volume-buying power to drive down costs through a streamlined cooperative purchasing program, DIR has already performed all state of Texas competitive procurement requirements.*
**TABULATION OF BIDS**

**PROPOSAL**
Annual Contract for
Cement Aggregates (Bulk Material)

**FOR:**
Concrete Sand (ASTM C-136), SAWS #1408
Washed Limestone (3/4"), SAWS #4957

**TIME & DATE:**
3:00 p.m., July 12, 2013

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE EACH</th>
<th>BID NOT TABULATED INCOMPLETE BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>12,000 Tons Concrete Sand (ASTM C-136), SAWS #1408</td>
<td>22.66</td>
<td>271,920.00</td>
</tr>
<tr>
<td>2.</td>
<td>3,000 ea. Washed Limestone (3/4&quot;), SAWS #4957</td>
<td>19.66</td>
<td>*</td>
</tr>
</tbody>
</table>

**TOTAL (GROUP A)**

<table>
<thead>
<tr>
<th>UNIT PRICE EACH</th>
<th>TOTAL</th>
<th>BID NOT TABULATED INCOMPLETE BID</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>330,900.00</td>
<td></td>
</tr>
</tbody>
</table>

**EXTENSION 1**

| NET | 330,900.00 |

**EXTENSION 2**

| NET | 330,900.00 |

**EXTENSION 3**

| NET | 330,900.00 |

**Terms**

Net 30 days

| Delivery Days | 1 day |

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

- A&M Sand and Gravel
- Alamo Cement Co.
- Capitol Aggregates
- GEM Materials
- Helotes Materials
- Keller Material, Ltd.

- Martin Marietta
- Morris Co.
- Statewide Materials Transport
- Texas Industries
- Texstar Enterprises, Inc.
- Vulcan Construction Materials, LP

**SAWS Website**
### City of San Antonio Draft Bid Tabulation

**Opened:** March 23, 2010  
**For:** Diesel Fuel  

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Estimated Gallons</th>
<th>Arguindegui Oil Co.</th>
<th>Atlas Oil Company</th>
<th>Hartland Fuel Products, LLC</th>
<th>Indigo Energy Partners, LLC</th>
<th>IPC (USA), Inc.</th>
<th>Mansfield Oil Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ultra Low Sulfur Diesel (TxLED)</td>
<td>2,500,000</td>
<td>4506 HWY 359</td>
<td>24601 Ecourse</td>
<td>920 10th Avenue North</td>
<td>6230 Shiloh Rd. Ste. 120</td>
<td>20 Pacifica, Suite 650</td>
<td>1025 Airport Parkway, S.W.</td>
</tr>
<tr>
<td></td>
<td>Discount/Upcharge per Gallon</td>
<td></td>
<td>$0.0185</td>
<td>$0.0300</td>
<td>$0.0123</td>
<td>$0.0167</td>
<td>$0.0050</td>
<td>$0.0019</td>
</tr>
<tr>
<td></td>
<td>Effective Price for 3-28-2010</td>
<td></td>
<td>$3,2622</td>
<td>$3,2622</td>
<td>$3,2622</td>
<td>$3,2622</td>
<td>$3,2622</td>
<td>$3,2622</td>
</tr>
<tr>
<td></td>
<td>Estimated Annual Total</td>
<td></td>
<td>$6,130,500.00</td>
<td>$8,158,250.00</td>
<td>$8,114,000.00</td>
<td>$8,125,000.00</td>
<td>$8,070,750.00</td>
<td>$8,078,500.00</td>
</tr>
<tr>
<td></td>
<td>Primary Brand/Trade Name</td>
<td></td>
<td>Valero</td>
<td>Flint Hills Resources</td>
<td>Flint Hills Resources</td>
<td>Flint Hills Resources</td>
<td>Redi Fuels</td>
<td>Flint Hills</td>
</tr>
<tr>
<td></td>
<td>Secondary Brand/Trade Name</td>
<td></td>
<td>Flint Hills Resources</td>
<td>Valero, Motiva</td>
<td>Valero, Shell</td>
<td>Valero Energy Corporation</td>
<td>Redi Fuels</td>
<td>Motiva, Citgo</td>
</tr>
<tr>
<td></td>
<td>Payment Terms</td>
<td></td>
<td>Net 30 Days</td>
<td>Net 30 Days</td>
<td>Net 30 Days</td>
<td>Net 30 Days</td>
<td>Net 30 Days</td>
<td>.0050% Net 10 Days</td>
</tr>
<tr>
<td></td>
<td>Estimated Annual Total</td>
<td></td>
<td>$8,130,500.00</td>
<td>$8,158,250.00</td>
<td>$8,114,000.00</td>
<td>$8,125,000.00</td>
<td>$8,070,750.00</td>
<td>$8,078,500.00</td>
</tr>
</tbody>
</table>

No Bid: SC Fuels
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Estimated Gallons</th>
<th>Martin Eagle Oil Co., Inc.</th>
<th>Petroleum Traders Corporation</th>
<th>Ports Petroleum</th>
<th>RKA Petroleum Companies, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2700 James Street</td>
<td>7120 Pointe Inverness Way</td>
<td>1337 Blachleyville Rd.</td>
<td>28340 Wick Rd.</td>
</tr>
<tr>
<td>1</td>
<td>Ultra Low Sulfur Diesel (TxLED)</td>
<td>2,500,000</td>
<td>Denton, TX 76205</td>
<td>Fort Wayne, IN 46804</td>
<td>Wooster, OH 44691</td>
<td>Romulus, MI 48174</td>
</tr>
</tbody>
</table>

**Discount/Upcharge per Gallon**
- OPIS Average for 3-28-2010: $3.2333
- Effective Price for 3-28-2010: $3.2462
- Estimated Annual Total: $8,152,000.00

**Primary Brand/Trade Name**
- Valero

**Secondary Brand/Trade Name**
- ConocoPhillips, Exxon
- Mobile, Citgo, various

**Payment Terms**
- Net 30 Days

| No Bid: SC Fuels |
# SAN ANTONIO WATER SYSTEM

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

## TABULATION OF BIDS

**PROPOSAL FOR:**
Annual Contract for Mobile Cranes Ten Tons and Larger Parts and Service

**TIME & DATE:**
(June 1, 2015 through May 31, 2016)
3:00 p.m., March 9, 2015

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.</td>
<td>Inspect, National 800B</td>
<td>6 ea.</td>
<td>500.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>1b.</td>
<td>Load Test, National 800B</td>
<td>6 ea.</td>
<td>250.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>2a.</td>
<td>Inspect, National 600C</td>
<td>6 ea.</td>
<td>500.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>2b.</td>
<td>Load Test, National 600C</td>
<td>6 ea.</td>
<td>250.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>3a.</td>
<td>Inspect, National 600D</td>
<td>6 ea.</td>
<td>500.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>3b.</td>
<td>Load Test, National 600D</td>
<td>6 ea.</td>
<td>250.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>4a.</td>
<td>Inspect, Grove TMW700B</td>
<td>1 ea.</td>
<td>600.00</td>
<td></td>
</tr>
<tr>
<td>4b.</td>
<td>Load Test, Grove TMW700B</td>
<td>1 ea.</td>
<td>300.00</td>
<td></td>
</tr>
<tr>
<td>5a.</td>
<td>Inspect, Stinger-RO 110-45 (22,500 lbs)</td>
<td>1 ea.</td>
<td>500.00</td>
<td></td>
</tr>
<tr>
<td>5b.</td>
<td>Load Test, Stinger-RO 110-45 (22,500 lbs)</td>
<td>1 ea.</td>
<td>250.00</td>
<td></td>
</tr>
<tr>
<td>6a.</td>
<td>Inspect, National N205 (30,000 lbs)</td>
<td>1 ea.</td>
<td>500.00</td>
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</tr>
<tr>
<td>6b.</td>
<td>Load Test, National N205 (30,000 lbs)</td>
<td>1 ea.</td>
<td>250.00</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ITEMS 1-6**

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>15,900.00</td>
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</table>

**PARTS AND MATERIALS**

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30,000.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,400.00</td>
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</tbody>
</table>

**LABOR**

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>120.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>180.00</td>
</tr>
</tbody>
</table>

**TOTAL ITEMS 1-8**

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>51,300.00</td>
</tr>
</tbody>
</table>
**SAN ANTONIO WATER SYSTEM**

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

**PROPOSAL:**
Annual Contract for Mobile Cranes Ten Tons and Larger

**FOR:**
Parts and Service

**TIME & DATE:**
3:00 p.m., March 9, 2015

**ITEM NO.**
DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>APPROXIMATE QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXTENSION 1</td>
<td></td>
<td>51,300.00</td>
</tr>
<tr>
<td>EXTENSION 2</td>
<td></td>
<td>51,300.00</td>
</tr>
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<td>EXTENSION 3</td>
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<td>51,300.00</td>
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<td>Terms</td>
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<td>Net 30 days</td>
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</table>

**LOW BIDDER**

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

- Anderson Machinery
- H&E Equipment
- H&V Equipment
- Rush Truck Center

Demandstar
SAWS Website
# SAN ANTONIO WATER SYSTEM

## PROPOSAL

**Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection**

**FOR:**

- Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**TIME & DATE:**

- (March 1, 2015 through December 31, 2015)

**DATE:**

- 3:00 p.m., February 25, 2015

**ITEM NO.**

- DESCRIPTION AND APPROXIMATE QUANTITY

## 2015 TANK INSPECTION & CLEANING PRICING LIST

<table>
<thead>
<tr>
<th>Item</th>
<th>Tank</th>
<th>Description</th>
<th>Cost (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Austin Potable Water Elevated Storage Tank</td>
<td>1.5 MG; 88 feet diam.; 138 feet overall height</td>
<td>Inspection Cost Drained: 360.00, Drained Cleaning Cost: 500.00, Drained Cleaning cost per additional 1&quot; of sedimentation: 140.00, Cleaning Cost In-service (not drained): 2,000.00, Underwater Cleaning cost per additional 1&quot; of sedimentation: 200.00, TOTAL: 3,460.00</td>
</tr>
<tr>
<td>2</td>
<td>Bitters Potable Water Ground Storage Tank</td>
<td>5 MG; 165.0 feet diam.; 33.0 feet overall height</td>
<td>Inspection Cost Drained: 360.00, Drained Cleaning Cost: 500.00, Drained Cleaning cost per additional 1&quot; of sedimentation: 140.00, Inspection Cost In-service (not drained): 2,000.00, Underwater Cleaning cost per additional 1&quot; of sedimentation: 200.00, TOTAL: 3,460.00</td>
</tr>
<tr>
<td>3</td>
<td>Devine Reuse Water Elevated Storage Tank</td>
<td>1.2 MG; 84 feet diam.; 43 feet bowl height; 83 feet overall height</td>
<td>Inspection Cost Drained: 360.00, Drained Cleaning cost: 500.00, Drained Cleaning cost per additional 1&quot; of sedimentation: 140.00, Inspection Cost In-service (not drained): 2,000.00, Underwater Cleaning cost per additional 1&quot; of sedimentation: 200.00, TOTAL: 4,960.00</td>
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<td>4</td>
<td>East Houston Reuse Water Ground Storage Tank</td>
<td>1.0 MG; 75 feet diam.; 32 feet overall height</td>
<td>Inspection Cost Drained: 360.00, Drained Cleaning cost: 500.00, Drained Cleaning cost per additional 1&quot; of sedimentation: 140.00, Inspection Cost In-service (not drained): 2,000.00, Underwater Cleaning cost per additional 1&quot; of sedimentation: 200.00, TOTAL: 3,460.00</td>
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## ADDENDUM

- BID NOT TABULATED

- ADDENDUM, 2 NOT RETURNED
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<th>Item</th>
<th>Description</th>
<th>Item No.</th>
<th>Quantity</th>
<th>Drained Cleaning Cost per Additional 1&quot; of Sedimentation</th>
<th>Underwater Cleaning Cost per Additional 1&quot; of Sedimentation</th>
<th>TOTAL</th>
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<td>Foster Potable Water Elevated Storage Tank</td>
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<td>140.00</td>
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<td>1,400.00</td>
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<td></td>
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<td>Cleaning Cost In-service (not drained)</td>
<td>2,100.00</td>
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<td>140.00</td>
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<td>140.00</td>
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<td>315.00</td>
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<td>Inspection Cost In-service (not drained)</td>
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<td>Underwater Cleaning cost per additional 1° of sedimentation</td>
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<td>40.00</td>
<td>9,220.00</td>
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</tbody>
</table>

**TABULATION OF BIDS**

**Municipal Underwater Services, P.O. Box 2591, Coeur d'Alene, ID 83816**

**H2O Solutions, LLC, 930 W. Sahara Ave. Ste. #200, Las Vegas, NV 89117**

**Twinfish Diving, Inc., 1121 Lester Blvd, Farmville, VA 23901**

**Texas Tank Services, 1125 Sleep Dr, Weatherford, TX 76086**

**El Chris Contracting, Inc., 2005 Jorie Oak Corp. #804, San Antonio, TX 78238**

**Proposal:** Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**Time Period:** (March 1, 2015 through December 31, 2015)

**Date:** 3:00 p.m., February 25, 2016

**Description and Approximate Quantity:**

- **Underwater Diving Services:**
  - Drained Cleaning cost per additional 1° of sedimentation
  - Inspection Cost In-service (not drained)
  - Cleaning Cost In-service (not drained)
  - Underwater Cleaning cost per additional 1° of sedimentation

- **Drained Cleaning Cost:**
  - Cost per additional 1° of sedimentation
  - Inspection Cost Drained
  - Cleaning Cost In-service (not drained)

- **Total Cost:**
  - Drained Cleaning cost
  - Inspection Cost In-service (not drained)
  - Cleaning Cost In-service (not drained)
  - Underwater Cleaning cost per additional 1° of sedimentation

**Approximate Quantity:**

- **Sedimentation Box:**
  - Approximate weight
  - Approximate volume

**SAN ANTONIO WATER SYSTEM**

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78208-2449**
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<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>TOTAL</th>
</tr>
</thead>
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<td>New World Potable Water Elevated Storage Tank 2.0 MG, 70 feet diam.; 164 feet overall height</td>
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<td>Inspection Cost In-service (not drained)</td>
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<td>Cleaning Cost In-service (not drained)</td>
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<td>ITEM NO.</td>
<td>DESCRIPTION AND APPROXIMATE QUANTITY</td>
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**2016 Tank Inspection & Cleaning Pricing List**

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<th>5 MG, 164.5 Feet Diam.; 44.3 Feet Overall Height</th>
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<td>Drained Cleaning cost</td>
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<td>Drained Cleaning cost per additional 1&quot; of sedimentation</td>
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<td>Inspection Cost In-service (not drained)</td>
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<td>Cleaning Cost In-service (not drained)</td>
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<td>200.00</td>
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### Turtle Creek #2 Potable Water Ground Storage Tank No. 2

| Description                                      | Inspection Cost Drained | Drained Cleaning cost | Drained Cleaning cost per additional 1" of sedimentation | Inspection Cost In-service (not-drained) | Cleaning Cost In-service (not-drained) | Underwater Cleaning cost per additional 1" of sedimentation |  |
|--------------------------------------------------|-------------------------|-----------------------|----------------------------------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------------------------| **TOTAL** |
| 0.5 MG, 52 Feet Diam.; 32 Feet Overall Height    | 360.00                  | 500.00                | 500.00                                                   | 400.00                                   | 1,675.00                               | 1,675.00                                                  | 200.00 |
|                                                | 250.00                  | 1,000.00              | 1,000.00                                                 | 2,000.00                                 | 2,000.00                               | 1,675.00                                                  | 450.00 |
|                                                | 120.00                  | 5,500.00              | 190.00                                                   | 3,000.00                                 | 1,300.00                               | 1,400.00                                                  | 7,490.00 |
|                                                |                          |                      |                                                          |                                          |                                        |                                                           | 7,596.00 |

### Wurzbach Potable Water Ground Storage Tank No. 1

| Description                                      | Inspection Cost Drained | Drained Cleaning cost | Drained Cleaning cost per additional 1" of sedimentation | Inspection Cost In-service (not-drained) | Cleaning Cost In-service (not-drained) | Underwater Cleaning cost per additional 1" of sedimentation |  |
|--------------------------------------------------|-------------------------|-----------------------|----------------------------------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------------------------| **TOTAL** |
| 7.5 MG, 181 Feet Diam.; 40 Feet Overall Height   | 360.00                  | 500.00                | 500.00                                                   | 400.00                                   | 7,125.00                               | 7,125.00                                                  | 200.00 |
|                                                | 250.00                  | 1,000.00              | 1,000.00                                                 | 2,000.00                                 | 2,500.00                               | 1,675.00                                                  | 450.00 |
|                                                | 120.00                  | 10,472.00             | 190.00                                                   | 3,800.00                                 | 3,800.00                               | 1,400.00                                                  | 15,062.00 |
|                                                |                          |                      |                                                          |                                          |                                        |                                                           | 27,798.00 |

### Wurzbach Potable Water Ground Storage Tank No. 2

| Description                                      | Inspection Cost Drained | Drained Cleaning cost | Drained Cleaning cost per additional 1" of sedimentation | Inspection Cost In-service (not-drained) | Cleaning Cost In-service (not-drained) | Underwater Cleaning cost per additional 1" of sedimentation |  |
|--------------------------------------------------|-------------------------|-----------------------|----------------------------------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------------------------| **TOTAL** |
| 7.5 MG, 181 Feet Diam.; 40 Feet Overall Height   | 360.00                  | 500.00                | 500.00                                                   | 400.00                                   | 7,125.00                               | 7,125.00                                                  | 200.00 |
|                                                | 250.00                  | 1,000.00              | 1,000.00                                                 | 2,000.00                                 | 2,500.00                               | 1,675.00                                                  | 450.00 |
|                                                | 120.00                  | 10,472.00             | 190.00                                                   | 3,800.00                                 | 3,800.00                               | 1,400.00                                                  | 15,062.00 |
|                                                |                          |                      |                                                          |                                          |                                        |                                                           | 27,798.00 |

### General McMullen Potable Water Elevated Storage Tank

| Description                                      | Inspection Cost Drained | Drained Cleaning cost | Drained Cleaning cost per additional 1" of sedimentation | Inspection Cost In-service (not-drained) | Cleaning Cost In-service (not-drained) | Underwater Cleaning cost per additional 1" of sedimentation |  |
|--------------------------------------------------|-------------------------|-----------------------|----------------------------------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------------------------| **TOTAL** |
| 0.25 MG, 40 Feet Diam.; 136 Feet Overall Height  | 360.00                  | 500.00                | 500.00                                                   | 400.00                                   | 1,250.00                               | 1,250.00                                                  | 200.00 |
|                                                | 500.00                  | 1,000.00              | 1,000.00                                                 | 2,000.00                                 | 2,500.00                               | 1,675.00                                                  | 450.00 |
|                                                | 120.00                  | 7,000.00              | 190.00                                                   | 3,800.00                                 | 3,800.00                               | 1,400.00                                                  | 8,830.00 |
|                                                |                          |                      |                                                          |                                          |                                        |                                                           | 8,920.00 |

### Golden Potable Water Ground Storage Tank

| Description                                      | Inspection Cost Drained | Drained Cleaning cost | Drained Cleaning cost per additional 1" of sedimentation | Inspection Cost In-service (not-drained) | Cleaning Cost In-service (not-drained) | Underwater Cleaning cost per additional 1" of sedimentation |  |
|--------------------------------------------------|-------------------------|-----------------------|----------------------------------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------------------------| **TOTAL** |
| 12.5 MG, 226 Feet Diam.; 50 Feet Overall Height  | 360.00                  | 500.00                | 500.00                                                   | 400.00                                   | 9,150.00                               | 9,150.00                                                  | 200.00 |
|                                                | 500.00                  | 1,000.00              | 1,000.00                                                 | 2,000.00                                 | 2,500.00                               | 1,675.00                                                  | 450.00 |
|                                                | 140.00                  | 16,972.00             | 190.00                                                   | 3,800.00                                 | 3,800.00                               | 1,400.00                                                  | 21,632.00 |
|                                                |                          |                      |                                                          |                                          |                                        |                                                           | 40,798.00 |
## SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**PROPOSAL**
Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**FOR:**
(March 1, 2015 through December 31, 2015)

**DATE:**
3:00 p.m., February 25, 2015

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<th>Marcon Underwater Services, LLC</th>
<th>P.O. Box 2591</th>
<th>Conroe, TX 77305</th>
<th>H2O Solutions, LLC</th>
<th>5950 W. Flournoy St., Ste. 208</th>
<th>Las Vegas, NV 89117</th>
<th>Taylor-Diving, Inc.</th>
<th>1152 Lester Barn Rd., Florenceville, TX 75542</th>
<th>Texas Tank Services</th>
<th>103 Sinyo Dr.</th>
<th>Whitesboro, TX 75591</th>
<th>El Chris Contracting, Inc.</th>
<th>20209 State Hwy 29, New Braunfels, TX 78130</th>
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## SAN ANTONIO WATER SYSTEM

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

### TABULATION OF BIDS

**PROPOSAL**  
Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**FOR**  
(March 1, 2015 through December 31, 2015)

**DATE & TIME**  
3:00 p.m., February 25, 2015

**DATE**  
(Feb. 25, 2015 through Dec. 31, 2015)

### DESCRIPTION AND APPROXIMATE QUANTITY

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<th>Quantity</th>
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<td>26</td>
<td>Wild Turkey Potable Water Ground Storage Tank</td>
<td>0.5 MG; 55 Feet Diam.; 32 Feet Overall Height</td>
</tr>
<tr>
<td>27</td>
<td>Minor Repair (Item F)</td>
<td>Hourly Rate for 40 Hours</td>
</tr>
<tr>
<td>28</td>
<td>Emergency Services (Item E)</td>
<td>Hourly Rate for 60 Hours</td>
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### BID TABULATION

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<th>Item No.</th>
<th>Description</th>
<th>Rate</th>
<th>Total</th>
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<tbody>
<tr>
<td>1-28</td>
<td>Artesia Potable Water Ground Storage Tank</td>
<td>5 MG; 164.5 Feet Diam.; 42.3 Feet Overall Height</td>
<td>157,050.00</td>
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<td>25</td>
<td>Vestal Potable Water Elevated Storage Tank</td>
<td>1.5 MG; 91 Feet Diam.; 162 Feet Overall Height</td>
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<td>Wild Turkey Potable Water Ground Storage Tank</td>
<td>0.5 MG; 55 Feet Diam.; 32 Feet Overall Height</td>
<td>3,185.00</td>
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<td>Minor Repair (Item F)</td>
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<td>Emergency Services (Item E)</td>
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**TOTAL AMOUNT FOR YEAR 2016 (ITEM 1-28)**

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<td>Artesia Potable Water Ground Storage Tank</td>
<td>5 MG; 164.5 Feet Diam.; 42.3 Feet Overall Height</td>
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**TOTAL**

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<tr>
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<tbody>
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<td>1-28</td>
<td></td>
<td>157,050.00</td>
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## SAN ANTONIO WATER SYSTEM
### P. O. BOX 2449
### SAN ANTONIO, TEXAS 78298-2449
### TABULATION OF BIDS

**PROPOSAL**: Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**DATE**: March 1, 2015 through December 31, 2015

**TIME & DATE**: 3:00 p.m., February 25, 2015

### TABLE NO. DESCRIPTION AND APPROXIMATE QUANTITY

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<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
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<tr>
<td><strong>1</strong> Concept Therapy Potable Water Concrete Standpipe No. 1</td>
<td>0.03 MG; 10 feet diam.; 36 Feet Overall Height</td>
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<tr>
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<td>Inspection Cost Drained</td>
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<td></td>
<td>Drained Cleaning cost</td>
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<tr>
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<td>Drained Cleaning cost per additional 1' of sedimentation</td>
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<td></td>
<td>Inspection Cost In-service (not-drained)</td>
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<tr>
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<td>Cleaning Cost In-service (not-drained)</td>
<td>850.00</td>
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<tr>
<td></td>
<td>Underwater Cleaning cost per additional 1' of sedimentation</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
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<td>2,310.00</td>
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</table>

| **2** Concept Therapy Potable Water Concrete Standpipe No. 2 | 0.03 MG; 10 Feet Diam.; 36 Feet Overall Height |  |
| | Inspection Cost Drained | 360.00 |
| | Drained Cleaning cost | 500.00 |
| | Drained Cleaning cost per additional 1' of sedimentation | 50.00 |
| | Inspection Cost In-service (not-drained) | 400.00 |
| | Cleaning Cost In-service (not-drained) | 850.00 |
| | Underwater Cleaning cost per additional 1' of sedimentation | 200.00 |
| **TOTAL** | | 2,310.00 |

| **3** Concept Therapy Potable Water Concrete Standpipe No. 3 | 0.03 MG; 10 Feet Diam.; 36 Feet Overall Height |  |
| | Inspection Cost Drained | 360.00 |
| | Drained Cleaning cost | 500.00 |
| | Drained Cleaning cost per additional 1' of sedimentation | 50.00 |
| | Inspection Cost In-service (not-drained) | 400.00 |
| | Cleaning Cost In-service (not-drained) | 850.00 |
| | Underwater Cleaning cost per additional 1' of sedimentation | 200.00 |
| **TOTAL** | | 2,310.00 |

| **4** Concept Therapy Potable Water Hydro-Pneumatic Tank 0.01 MG; 6.0 Feet DIAM.; 24 INCHES WATER/LEVEL TANK; 6.0 FEET LENGTH |  |  |
| | Inspection Cost Drained | 360.00 |
| | Drained Cleaning cost | 500.00 |
| | Drained Cleaning cost per additional 1' of sedimentation | 50.00 |
| | Inspection Cost In-service (not-drained) | 400.00 |
| | Cleaning Cost In-service (not-drained) | 850.00 |
| | Underwater Cleaning cost per additional 1' of sedimentation | 200.00 |
| **TOTAL** | | 2,260.00 |

| **5** Devine Reuse Water Elevated Storage Tank | 1.2 MG; 84 Feet Diam.; 43 Feet Bowl Height; 83 Feet Overall Height |  |
| | Inspection Cost Drained | 360.00 |
| | Drained Cleaning cost | 500.00 |
| | Drained Cleaning cost per additional 1' of sedimentation | 50.00 |
| | Inspection Cost In-service (not-drained) | 400.00 |
| | Cleaning Cost In-service (not-drained) | 850.00 |
| | Underwater Cleaning cost per additional 1' of sedimentation | 200.00 |
| **TOTAL** | | 3,435.00 |

**NOTE**: The above tabulation is based on the information available as of the date of this report. The actual quantities may vary. For more information, please contact the relevant authorities.
# SAN ANTONIO WATER SYSTEM

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

## TABULATION OF BIDS

**PROPOSAL:** Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection  
**FOR:** (March 1, 2015 through December 31, 2015)  
**DATE:** 3:00 p.m., February 25, 2015  
**ITEM NO.:** DESCRIPTION AND APPROXIMATE QUANTITY

### East Houston Reuse Water Ground Storage Tank

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<th>Inspection Cost In-service (not-drained)</th>
<th>Cleaning Cost In-service (not-drained)</th>
<th>Underwater Cleaning cost per additional 1&quot; of sedimentation</th>
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### General McMullen Potable Water Elevated Storage Tank

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<th>Inspection Cost In-service (not-drained)</th>
<th>Cleaning Cost In-service (not-drained)</th>
<th>Underwater Cleaning cost per additional 1&quot; of sedimentation</th>
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### Helotes/Adobe Ranch Potable Water Ground Storage Tank

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<th>Inspection Cost In-service (not-drained)</th>
<th>Cleaning Cost In-service (not-drained)</th>
<th>Underwater Cleaning cost per additional 1&quot; of sedimentation</th>
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### Helotes Park #3 Potable Water Standpipe

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<th>Inspection Cost In-service (not-drained)</th>
<th>Cleaning Cost In-service (not-drained)</th>
<th>Underwater Cleaning cost per additional 1&quot; of sedimentation</th>
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### Hills Potable Water Ground Storage Tank

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<th>Underwater Cleaning cost per additional 1&quot; of sedimentation</th>
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## SAN ANTONIO WATER SYSTEM
**P. O. BOX 2449**
**SAN ANTONIO, TEXAS  78298-2449**

### TABULATION OF BIDS

**PROPOSAL**: Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection  
**FOR**:  
**TAG A**: (March 1, 2015 through December 31, 2015)  
**DATE**: 3:00 p.m., February 25, 2015

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<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
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<td>Underwater Cleaning cost per additional 1' of sedimentation</td>
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<td>13.</td>
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### TABULATION OF BIDS

#### PROPOSAL:
Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**FOR:**

**TIME &** (March 1, 2015 through December 31, 2015)

**DATE:**
3:00 p.m., February 25, 2015

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<th>MDI Saligning LLC</th>
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<th>Texas Tank Services, Inc.</th>
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# SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**
**SAN ANTONIO, TEXAS 78258-2449**

**TABULATION OF BIDS**

**PROPOSAL:**
Annual Contract for Potable and Reuse Water Storage Tank Cleaning and Inspection

**DATE:**
(March 1, 2015 through December 31, 2015)

**TIME:**
3:00 p.m., February 25, 2015

**ITEM NO.:**
DESCRIPTION AND APPROXIMATE QUANTITY

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<th>Item</th>
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<th>Quantity/Rate</th>
<th>Total Cost</th>
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*BID NOT TABULATED ADDENDUM NO. 2 NOT RETURNED

**LOW BIDDER**

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

- Affinity Diving Services
- American Underwater Services
- Clean Harbors
- EJ Chris Contracting, Inc.
- H2O Solutions
- Hydro-Klean
- Liquid Engineering

Marcan Underwater Services
Tank Industry
Texas Tank Services
US Underwater Services
Utility Service

Demandstar
SAWS Website
# SAN ANTONIO WATER SYSTEM

## P. O. BOX 2449

SAN ANTONIO, TEXAS  78298-2449

### TABULATION OF BIDS

**PROPOSAL FOR:**

Multi Year Contract for Backup Internet Service  
(May 5, 2015 through 36 or 60 months Internet Service)

**TIME & DATE:**  
3:00 p.m. March 23, 2015

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*Item 2 Alternative 2B selected (60 months 200 mbps symmetrical circuit)

In order to provide carrier diversity, the Internet provider for the backup system must be different than the provider for headquarters Internet Circuit. Award will be made to the second lowest bidder. Level 3 communications recently purchased TW Telecom (HQ provider) We have verified that support would come from the same building.

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

- Alpheus Data Services
- AT&T
- CenturyLink Communications
- Cogent Communications Inc.
- Hughes Networks
- Level 3 Communications
- PAETEC Communications
- Time Warner Cable
- Demandstar
- SAWS Website
- Cogent Communications, Inc.
  10531 Street, NW
  Washington, DC 20007
AGENDA ITEM NO. ______

TO: San Antonio Water System Board of Trustees

FROM: José L. Carreño, P.E., Director, Collection & Distribution Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: APPROVAL OF CHANGE ORDER NO. 3 IN CONNECTION WITH THE SAN ANTONIO RIVER OUTFALL – PROJECT 1

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 3 in an amount not to exceed $56,553.08 payable to Oscar Renda Contracting, Inc., a non-local, non-SMWB contractor, in connection with the San Antonio River Outfall – Project 1 (SARO-Project 1).

• This project involves work that is required by the Consent Decree between the San Antonio Water System (the “System”), the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

• The SARO Project includes the construction of approximately five miles of 48-inch sewer pipe and siphons. This will replace aging sewer infrastructure which has already experienced several failures. This project extends from a point within the existing Salado Creek Water Recycling Center then generally west and north to the intersection of Henderson Court and Old Corpus Christi Road. The SARO Project is being constructed in multiple phases: Southton Road Emergency Project, SARO-Project 1, SARO-Project 2A, and SARO-Project 2B.

• SARO-Project 1 consists of approximately 4,700 feet of 48-inch sewer pipe and 3,200 feet of siphon and air bypass piping.

• Funds in the amount of $8,270,666.59 for the project work and $413,533.00 for construction contingency expenses were originally approved for the construction of the SARO-Project 1 on December 6, 2013, by Resolution No. 13-369.

• Change Order No. 1 in the amount of $183,292.00 provided for additional work within SARO–Project 1 to extend bores beneath additional rail lines.
• Change Order No. 2 in the amount of $17,909.05 provided for additional work within SARO–Project 1 to verify surface elevations of the creek bed and lower tunnel elevation by 1.5 feet.

• During construction, it was determined that the sewer flows into the Dos Rios Treatment Plant should be diverted to the Salado Creek Water Recycling Center Headworks in order to pre-treat the flows prior to entering the Dos Rios Treatment Plant. This resulted in a modification to the proposed sewer structure and additional sewer pipe with appurtenances.

• Negotiations between the System and Oscar Renda Contracting, Inc. resulted in a cost of $56,553.08 for Change Order No. 3 to modify the proposed sewer structure and construct the additional piping with appurtenances. System work is 55 percent complete.

• Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this CIP project, job number 11-2509. This project is included in the CY 2011 Capital Improvement Program, Wastewater, Main Replacement budget line item.

The authorizations for this project are as follows:

<table>
<thead>
<tr>
<th>Contract:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount authorized (Resolution No. 13-369)</td>
<td>$8,270,666.59</td>
</tr>
<tr>
<td>Change Order Nos. 1 through 2</td>
<td>201,201.05</td>
</tr>
<tr>
<td>Proposed Change Order No. 3</td>
<td>56,553.08</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$8,528,420.72</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingency:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contingency Amount (Resolution No. 13-369)</td>
<td>$ 413,533.00</td>
</tr>
<tr>
<td>Change Order Nos. 1 through 3</td>
<td>(257,754.13)</td>
</tr>
<tr>
<td>Remaining Contingency Balance</td>
<td>$ 155,778.87</td>
</tr>
</tbody>
</table>
Change Order No. 3 represents a 3.12 percent increase in the original contract amount resulting in a revised authorization amount of $8,528,420.72.

José L. Carreño, P.E.
Director
Collection & Distribution Engineering

APPROVED:

Robert R. Puente
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 3, IN AN AMOUNT NOT TO EXCEED $56,553.08, IN CONNECTION WITH THE SAN ANTONIO RIVER OUTFALL – PROJECT 1; APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $56,553.08 FROM THE SYSTEM’S PROJECT FUND PAYABLE TO OSCAR RENDA CONTRACTING, INC., FOR CHANGE ORDER NO. 3; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 3 AND TO PAY OSCAR RENDA CONTRACTING, INC., AN ADDITIONAL AMOUNT NOT TO EXCEED $56,553.08 FOR THE ADDITIONAL PROJECT WORK ASSOCIATED WITH CHANGE ORDER NO. 3; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio River Outfall – Project 1 (the “SARO-Project 1”) involves work that is required by the Consent Decree between the San Antonio Water System (the “System”), the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013; and

WHEREAS, the SARO Project is approximately five miles and extends from a point within the existing Salado Creek Water Recycling Center then generally west and north to the intersection of Henderson Court and Old Corpus Christi Road; and

WHEREAS, SARO-Project 1 consists of approximately 4,700 feet of 48-inch sewer pipe and 3,200 feet of siphon and air bypass piping; and

WHEREAS, the System’s Board of Trustees, by Resolution No. 13-369, adopted December 6, 2013, awarded a construction contract to Oscar Renda Contracting, Inc., a non-local, non-SMWB contractor, and approved the expenditure of $8,684,199.59 to pay for the System’s project work and related construction contingency expenses; and

WHEREAS, during construction, it was determined that the sewer flows into the Dos Rios Treatment Plant should be diverted to the Salado Creek Water Recycling Center Headworks in order to pre-treat the flows prior to entering the Dos Rios Treatment Plant. This resulted in a modification to the proposed sewer structure and additional sewer pipe with appurtenances (the “additional project work”); and
WHEREAS, negotiations between the System and Oscar Renda Contracting, Inc. resulted in a cost of $56,553.08 for Change Order No. 3 for the additional project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 3, in an amount not to exceed $56,553.08, for the additional project work in connection with the San Antonio River Outfall – Project 1, (ii) to approve the expenditure of an additional amount not to exceed $56,553.08 from the System’s Project Fund payable to Oscar Renda Contracting, Inc., for Change Order No. 3, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 3 and to pay an additional amount not to exceed $56,553.08 to Oscar Renda Contracting, Inc., for the additional project work associated with Change Order No. 3; now, therefore:

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

1. That Change Order No. 3, in an amount not to exceed $56,553.08, payable to Oscar Renda Contracting, Inc., for the additional project work in connection with the SARO Project 1, is hereby approved.

2. That an additional sum not to exceed $56,553.08 for Change Order No. 3 is hereby made available and is to be expended from the System’s Project Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 3 and to pay Oscar Renda Contracting, Inc., an additional amount not to exceed $56,553.08 for the additional project work associated with Change Order No. 3 in connection with the SARO Project 1.

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

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

PASSED AND APPROVED this 18\textsuperscript{th} day of May, 2015.

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Patricia E. Merritt, Secretary
AGENDA ITEM NO. __8__

TO: San Antonio Water System Board of Trustees

FROM: Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: AUTHORIZATION TO EXECUTE AN ADVANCE FUNDING AGREEMENT AND ADVANCE FUNDS TO THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE FM 471: LOOP 1604 TO 0.1 MI NE OF LOST LANE PROJECT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to provide advance payment to the Texas Department of Transportation (TxDOT) in the amount of $35,000.00 for the joint construction of water and sewer facility adjustments in connection with the FM 471: Loop 1604 to 0.1 MI NE of Lost Lane Project. It further approves an additional amount of $5,250.00 for construction contingency expenses and the execution of the advance funding agreement. This project is located in Council District 7.

- TxDOT intends to mill and overlay FM 471: Loop 1604 to 0.1 MI NE of Lost Lane Project as illustrated on the attached maps. TxDOT’s improvement work is estimated to cost $1,499,453.00.

- The existing water mains within the project boundaries were constructed between 1975 and 2012. Water mains are not being replaced, but water valve boxes require adjustment due to the overlay.

- The existing sewer mains within the project boundaries were constructed between 1971 and 2012. Sewer mains are not being replaced, but sewer manholes require adjustment due to the overlay.

- The water adjustment work will consist of approximately 27 water valve box adjustments at an estimated cost of $11,000.00 for construction.

- The sewer adjustment work will consist of approximately 10 sewer manhole adjustments at an estimated cost of $24,000.00 for construction.

- Funds authorized for this project will be transferred to TxDOT following Board approval and execution of the Advance Funding Agreement.
Advance Funds to the Texas Department of Transportation

FM 471: Loop 1604 to 0.1 MI NE of Lost Lane

- The bid opening took place in April 2015.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2015 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $12,650.00 for water work, including $11,000.00 for construction, and $1,650.00 for construction contingency expenses. The job number is 14-5078-000.

The wastewater work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $27,600.00 for sewer work, including $24,000.00 for construction, and $3,600.00 for construction contingency expenses. The job number is 14-5578-000.

SUPPLEMENTARY COMMENTS:

Water and sewer facility adjustments for this project have been included in the bid documents issued by TxDOT. This work will be accomplished concurrently with the mill and overlay work. The engineers estimated construction cost was $11,000.00 for water work and $24,000.00 for the sewer work, for a total of $35,000.00.

Frances Plocek, P.E.
Director
Governmental Engineering

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
SAN ANTONIO WATER SYSTEM

FM 471: LOOP 1604 TO 0.1 MI NE OF LOST LANE PROJECT

LEGEND
★  PROJECT SITE
FM 471: LOOP 1604 TO 0.1 MI NE
OF LOST LANE PROJECT

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $35,000.00 FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE FM 471: LOOP 1604 TO 0.1 MI NE OF LOST LANE PROJECT; APPROVING AN AMOUNT NOT TO EXCEED $5,250.00 FOR CONSTRUCTION CONTINGENCY EXPENSES RELATED TO THE PROJECT WORK; APPROVING A TOTAL AMOUNT NOT TO EXCEED $40,250.00 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 OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN ADVANCE FUNDING AGREEMENT AND TO PAY IN ADVANCE TO THE TEXAS DEPARTMENT OF TRANSPORTATION A TOTAL AMOUNT NOT TO EXCEED $40,250.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Texas Department of Transportation (“TxDOT”) intends to mill and overlay the FM 471: Loop 1604 to 0.1 MI NE of Lost Lane Project; and

WHEREAS, the FM 471: Loop 1604 to 0.1 MI NE of Lost Lane Project will require the adjustment of certain water and sewer facilities of the San Antonio Water System (the “System”); and

WHEREAS, the project work will consist of the adjustment of approximately 27 water valve boxes and 10 sewer manholes (the “project work”); and

WHEREAS, TxDOT has requested that the System pay TxDOT in advance the sum of $35,000.00 for project work costs; and

WHEREAS, System funds in the amount of $35,000.00 for construction are required for the project work; and

WHEREAS, additional System funds in an amount not to exceed $5,250.00 may be required for construction contingency expenses in connection with the project work; and

WHEREAS, the amount of $40,250.00 is available from the System’s Project Fund for the project work and related construction contingencies; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount of $35,000.00 for the adjustment of water and sewer facilities by the Texas Department of Transportation in connection with the FM 471: Loop 1604 to 0.1 MI NE of Lost Lane Project, (ii) to approve the expenditure of an amount not to exceed $5,250.00 for construction contingency expenses in connection with the project work, (iii) to approve the expenditure of a total amount not to exceed $40,250.00 from the System's Project Fund to pay the Texas Department of Transportation for the project work and related construction contingency expenses, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an Advance Funding Agreement and to pay in advance a total amount not to exceed $40,250.00 to the Texas Department of Transportation for the project work; now, therefore:

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

1. That the expenditure of funds in the amount of $35,000.00 for the adjustment of water and sewer facilities by TxDOT in connection with the FM 471: Loop 604 to 0.1 MI NE of Lost Lane Project is hereby approved.

2. That the expenditure of funds in an amount not to exceed $5,250.00 for construction contingencies in connection with the project work is also hereby approved.

3. That a total sum not to exceed $40,250.00 to pay TxDOT for the project work costs and related construction contingency expenses is hereby made available and is to be expended from the System's Project Fund.

4. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an Advance Funding Agreement and to pay in advance to TxDOT in the amount of $35,000.00 for the adjustment of water and sewer facilities by TxDOT in connection with the FM 471: Loop 604 to 0.1 MI NE of Lost Lane Project.

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

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

PASSED AND APPROVED this 18th day of May, 2015.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: AUTHORIZATION TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE FY 2015 ASPHALT OVERLAY TASK ORDER CONTRACT – PACKAGE 4

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to reimburse the City of San Antonio (the “City”) in the amount of $114,200.00 for the joint construction of water and sewer facility adjustments in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 4.

- The City plans to apply an asphalt overlay to approximately 24 streets throughout the city in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 4 for Transportation and Capital Improvements. The City’s work is estimated to cost $4,326,909.05.

- Existing water valve box covers and manhole covers within the project boundaries may require adjustment to match the final grade of the new pavement.

- The work will consist of adjusting 316 existing water valve box covers and 178 existing manhole covers at an estimated cost of $114,200.00.

- Bid item quantities for the adjustment of manhole covers and water valve box covers were included in the City’s bid documents. Funds for this work will be reimbursed to the City as payments to the contractor are made.

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

The Project Fund will finance this expenditure included in the CY 2015 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $53,300.00 for water work for FY 2015 Asphalt Overlay Task Order Contract – Package 4. The job number is 14-5070-000.

The wastewater work is included in the Wastewater Core Business, Governmental Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $60,900.00 for sewer work for FY 2015 Asphalt Overlay Task Order Contract – Package 4. The job number is 14-5570-000.

SUPPLEMENTARY COMMENTS:

The engineer’s estimated construction cost for this project is $139,000.00 and the contractor’s construction cost is $114,200.00. The difference is 17.84 percent.

The City received three bids for this project. The low bidder is Clark Construction of Texas, Inc., a local, non-minority contractor. City Council approved the construction contract on February 12, 2015, and construction began on March 9, 2015. Time allowed for total construction is 180 calendar days.

Frances Plocok, P.E.
Director
Governmental Engineering

Ashok S. Kaji, P.E.
Interim-Vice-President
Engineering and Construction

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $114,200.00 FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE CITY OF SAN ANTONIO IN CONNECTION WITH THE FY 2015 ASPHALT OVERLAY TASK ORDER CONTRACT – PACKAGE 4; APPROVING AN AMOUNT NOT TO EXCEED $114,200.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY THE CITY OF SAN ANTONIO AN AMOUNT NOT TO EXCEED $114,200.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of San Antonio (the “City”) will construct street improvements in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 4; and

WHEREAS, the FY 2015 Asphalt Overlay Task Order Contract – Package 4 will require the adjustment of certain water and sewer facilities of the San Antonio Water System (the “System”); and

WHEREAS, the FY 2015 Asphalt Overlay Task Order Contract – Package 4 project work will consist of the adjustment of 316 existing water valve box covers and 178 existing manhole covers at an estimated cost of $114,200.00 (the “project work”); and

WHEREAS, the City has received a bid for the project work from Clark Construction of Texas, Inc., in the amount of $114,200.00 and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $114,200.00 are required for the project work; and

WHEREAS, the total amount of $114,200.00 is available from the System’s Project Fund for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount of $114,200.00 for the adjustment of water and sewer facilities by the City in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 4, (ii) to approve and make available an amount not to exceed $114,200.00 from the System’s Project Fund to reimburse the City for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay a total amount not to exceed $114,200.00 to the City for the project work; now, therefore:

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

1. That the expenditure of funds in the amount of $114,200.00 for the adjustment of water and sewer facilities by the City in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 4 is hereby approved.

2. That a total sum not to exceed $114,200.00 to reimburse the City for the project work costs is hereby made available and is to be expended from the System’s Project Fund.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the City an amount not to exceed $114,200.00 for the adjustment of water and sewer facilities by the City in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 4.

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

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

PASSED AND APPROVED this 18th day of May, 2015.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Patricia E. Merritt, Secretary
AGENDA ITEM NO. _______

TO: San Antonio Water System Board of Trustees

FROM: Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: AUTHORIZATION TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE FY 2015 ASPHALT OVERLAY TASK ORDER CONTRACT – PACKAGE 5

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to reimburse the City of San Antonio (the “City”) in the amount of $77,450.00 for the joint construction of water and sewer facility adjustments in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 5.

- The City plans to apply an asphalt overlay to approximately four streets throughout the city in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 5 for Transportation and Capital Improvements. The City’s work is estimated to cost $3,381,369.95.

- Existing water valve box covers and manhole covers within the project boundaries may require adjustment to match the final grade of the new pavement.

- The work will consist of adjusting 212 existing water valve box covers and 122 existing manhole covers at an estimated cost of $77,450.00.

- Bid item quantities for the adjustment of manhole covers and water valve box covers were included in the City’s bid documents. Funds for this work will be reimbursed to the City as payments to the contractor are made.

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

The Project Fund will finance this expenditure included in the CY 2015 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $35,600.00 for water work for FY 2015 Asphalt Overlay Task Order Contract – Package 5. The job number is 14-5071-000.

The wastewater work is included in the Wastewater Core Business, Governmental Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $41,850.00 for sewer work for FY 2015 Asphalt Overlay Task Order Contract – Package 5. The job number is 14-5571-000.

SUPPLEMENTARY COMMENTS:

The engineer’s estimated construction cost for this project is $94,600.00 and the contractor’s construction cost is $77,450.00. The difference is 18.13 percent.

The City received three bids for this project. The low bidder is Clark Construction of Texas, Inc., a local, non-minority contractor. City Council approved the construction contract on February 12, 2015, and construction began on March 5, 2015. Time allowed for total construction is 120 calendar days.

Frances Plocek, P.E.
Director
Governmental Engineering

Ashok S. Kaji, P.E.
Interim-Vice President
Engineering and Construction

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $77,450.00 FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE CITY OF SAN ANTONIO IN CONNECTION WITH THE FY 2015 ASPHALT OVERLAY TASK ORDER CONTRACT – PACKAGE 5; APPROVING AN AMOUNT NOT TO EXCEED $77,450.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY THE CITY OF SAN ANTONIO AN AMOUNT NOT TO EXCEED $77,450.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of San Antonio (the “City”) will construct street improvements in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 5; and

WHEREAS, the FY 2015 Asphalt Overlay Task Order Contract – Package 5 will require the adjustment of certain water and sewer facilities of the San Antonio Water System (the “System”); and

WHEREAS, the FY 2015 Asphalt Overlay Task Order Contract – Package 5 project work will consist of the adjustment of 212 existing water valve box covers and 122 existing manhole covers at an estimated cost of $77,450.00 (the “project work”); and

WHEREAS, the City has received a bid for the project work from Clark Construction of Texas, Inc., in the amount of $77,450.00 and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $77,450.00 are required for the project work; and

WHEREAS, the total amount of $77,450.00 is available from the System’s Project Fund for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount of $77,450.00 for the adjustment of water and sewer facilities by the City in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 5, (ii) to approve and make available an amount not to exceed $77,450.00 from the System’s Project Fund to reimburse the City for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay a total amount not to exceed $77,450.00 to the City for the project work; now, therefore:

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

1. That the expenditure of funds in the amount of $77,450.00 for the adjustment of water and sewer facilities by the City in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 5 is hereby approved.

2. That a total sum not to exceed $77,450.00 to reimburse the City for the project work costs is hereby made available and is to be expended from the System’s Project Fund.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the City an amount not to exceed $77,450.00 for the adjustment of water and sewer facilities by the City in connection with the FY 2015 Asphalt Overlay Task Order Contract – Package 5.

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

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

PASSED AND APPROVED this 18th day of May, 2015.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Patricia E. Merritt, Secretary
TO:         San Antonio Water System Board of Trustees
FROM:      Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction
THROUGH:   Robert R. Puente, President/Chief Executive Officer
SUBJECT:   AUTHORIZATION OF ADDITIONAL CONSTRUCTION CONTINGENCY FUNDS IN CONNECTION WITH THE BULVERDE ROAD PHASE V PROJECT

Board Action Date:  May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 13-250, as previously amended by Resolution No. 15-007, by authorizing additional construction contingency funds in the amount of $5,754.99 payable to Bexar County (the “County”) in connection with the Bulverde Road Phase V Project.

- The County is currently constructing street and drainage improvements in the Bulverde Road Phase V Project as illustrated on the attached maps. This project requires the adjustment of water and sewer facilities due to the proposed street and drainage work.

- The Bulverde Road Phase V Project consists of the adjustment of approximately 623 feet of 12-inch, 20-inch and 24-inch water mains and approximately 234 feet of 18-inch sewer mains.

- Funds in the amount of $314,584.60 were authorized for this project on September 10, 2013, by Resolution No. 13-250, based on the low bid by Capital Excavation Company of $285,986.00 and a construction contingency of $28,598.60. Additional contingency funds in the amount of $110,000.00 were authorized on January 6, 2015 by Resolution No. 15-007 for the adjustment of 241 feet of 20-inch water main and relay of 6-inch fire line associated with Change Order No. 2. Change Order No. 2 was the result of a County realignment that was performed after bidding.

- During construction, it was discovered the Contractor required payment for additional tie-ins which were not included in the original bid items. In addition, the Contractor required payment for the overrun of construction items needed for the successful completion of this project.

- Change Order No. 3, in the amount of $24,000.00, provides for payment of three water main tie-ins that were not originally accounted for when the project was bid.
• Funds in the amount of $19,045.01 are available in the construction contingency for Change Order No. 3. The additional amount of $5,754.99 includes $4,954.99 for Change Order No. 3 and $800.00 for additional construction contingency expenses. The SAWS work is 95 percent complete.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

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

<table>
<thead>
<tr>
<th>Board Action</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount Authorized by Resolution No. 13-006</td>
<td>$285,986.00</td>
</tr>
<tr>
<td>Change Order No. 1</td>
<td>20,113.63</td>
</tr>
<tr>
<td>Change Order No. 2</td>
<td>99,439.96</td>
</tr>
<tr>
<td>Change Order No. 3 (This resolution)</td>
<td>24,000.00</td>
</tr>
<tr>
<td><strong>Revised Contract Amount</strong></td>
<td><strong>$429,539.59</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingency Amount Appropriated</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Order No. 1</td>
<td>(20,113.63)</td>
</tr>
<tr>
<td>Change Order No. 2</td>
<td>(99,439.96)</td>
</tr>
<tr>
<td>Change Order No. 3 (This resolution)</td>
<td>(24,000.00)</td>
</tr>
<tr>
<td>Additional Contingency Requested (This resolution)</td>
<td>$5,754.99</td>
</tr>
<tr>
<td><strong>Remaining Contingency Amount</strong></td>
<td><strong>$800.00</strong></td>
</tr>
</tbody>
</table>

The revised contract amount for the SAWS work as a result of Change Order No. 3 is $429,539.59 which represents an increase of 50.2 percent to the original SAWS amount. The County’s contract amount is $7,948,382.65, which represents a 1.8 percent increase to the original contract.
Authorization of Additional Construction Contingency Funds
Bulverde Road Phase V Project

The Project Fund will finance this additional expenditure included in the CY 2015 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental-Water Category, and Governmental Water Replacements budget line item. The amount is $5,754.99 for additional construction contingency expenses. The job number is 11-5060-000.

Frances Plocek, P.E.
Director
Governmental Engineering

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.
OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES AMENDING RESOLUTION NO. 13-250, AS
AMENDED BY RESOLUTION NO. 15-007, BY
APPROVING THE EXPENDITURE OF ADDITIONAL
FUNDS IN AN AMOUNT NOT TO EXCEED $5,754.99
PAYABLE TO BEXAR COUNTY FOR ADDITIONAL
CONSTRUCTION CONTINGENCY EXPENSES IN
CONNECTION WITH THE BULVERDE ROAD PHASE V
PROJECT; APPROVING AN ADDITIONAL AMOUNT NOT
TO EXCEED $5,754.99 BE MADE AVAILABLE AND
EXPENDED FROM THE SYSTEM'S PROJECT FUND FOR
ADDITIONAL CONSTRUCTION CONTINGENCY
EXPENSES; AUTHORIZING THE PRESIDENT/CHIEF
EXECUTIVE OFFICER OR HIS DULY APPOINTED
DESIGNEE TO PAY BEXAR COUNTY AN ADDITIONAL
AMOUNT NOT TO EXCEED $5,754.99 FOR ADDITIONAL
CONSTRUCTION CONTINGENCY EXPENSES; FINDING
THE RESOLUTION TO HAVE BEEN CONSIDERED
PURSUANT TO THE LAWS GOVERNING OPEN
MEETINGS; PROVIDING A SEVERABILITY CLAUSE;
AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Bexar County (the “County”) is currently constructing the Bulverde
Road Phase V Project; and

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

WHEREAS, the San Antonio Water System Board of Trustees (the “Board”) by Resolution No. 13-250, adopted September 10, 2013, originally approved the expenditure of $314,584.60 to pay for the System’s project work based on the contractor’s bid of $285,986.00 and a construction contingency of $28,598.60; and

WHEREAS, additional contingency funds in the amount of $110,000.00 were authorized by Resolution No. 15-007 on January 6, 2015; and

WHEREAS, during construction, it was discovered the Contractor required payment for additional tie-ins which were not included in the original bid items and overrun of construction items needed for the successful completion of this project (the “additional project work”; and

WHEREAS, Change Order No. 3 in the amount of $24,000.00 provides for this additional project work; and

WHEREAS, the additional project work cost exceeds the amount available in the construction contingency by $4,954.99; and
WHEREAS, additional System funds in an amount not to exceed $5,754.99, may be required for additional construction contingency expenses in connection with the project work; and

WHEREAS, the total additional amount of $5,754.99 is available from the System’s Project Fund for related construction contingency expenses; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to amend Resolution No. 13-250, as amended by Resolution No 15-007, by approving the expenditure of an additional amount not to exceed $5,754.99 payable to Bexar County for additional construction contingency expenses in connection with the Bulverde Road Phase V Project, (ii) to expend an additional sum not to exceed $5,754.99 from the System’s Project Fund for additional construction contingency expenses, (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay an additional amount not to exceed $5,754.99 to Bexar County for additional construction contingency expenses; now, therefore;

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

1. That Resolution No. 13-250, as amended by Resolution No. 15-007, is hereby further amended by increasing the amount approved for payment to the County for construction contingency expenses in connection with the Bulverde Road Phase V Project by $5,754.99 from the previous authorization of $138,598.60 to an amended authorization of $144,353.59.

2. That an additional amount not to exceed $5,754.99 for construction contingency expenses is hereby made available and is to be expended from the System’s Project Fund.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the County an additional amount not to exceed $5,754.99 for additional construction contingency expenses in connection with the Bulverde Road Phase V Project.

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

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

PASSED AND APPROVED this 18th day of May, 2015.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Patricia E. Merritt, Secretary
OBJ: San Antonio Water System Board of Trustees

FRM: Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJ: AUTHORIZATION CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT TO EXECUTE AN INTERLOCAL AGREEMENT AND TO ADVANCE FUNDS TO BEXAR COUNTY PUBLIC WORKS IN CONNECTION WITH THE WALZEM ROAD (RECONSTRUCTION): GIBBS SPRAWL TO SEGUIN ROAD PROJECT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution relates to both the San Antonio Water System (the “System”) and the District Special Project (the “DSP”) and authorizes the President/Chief Executive Officer to provide advanced payment to Bexar County Public Works (the “County”) in the amount of $488,179.84 for the joint construction of System’s and DSP’s water facility adjustments and replacements in connection with the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project. It further approves an additional amount of $48,817.99 for construction contingency expenses and the execution of an Interlocal Agreement.

- The County proposes to construct street and drainage improvements in the area illustrated on the attached maps. The County’s improvement work is estimated to cost $6,388,965.20.

- Due to the reconstruction of Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project, the existing System water mains that were constructed in 1986 requires replacement to meet current System standards.

- The existing DSP water mains that were constructed in 2001 required adjustment to avoid conflicts with the proposed road and drainage improvements and the existing water mains that were constructed between 1971 and 1983, require replacement to meet current System standards.

- There are no sewer facilities within the project limits; therefore, there is no sewer work on this project.
Authorization to Execute an Interlocal Agreement and Advance Funds to Bexar County Public Works Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project

- The System’s water replacement work will consist of approximately 402 feet of 8-inch and 12-inch water main at a cost of $112,103.97.

- The DSP’s water adjustment work will consist of approximately 433 feet of 8-inch main at a cost of $31,616.25 and the DSP’s water replacement work will consist of approximately 1,377 feet of 8-inch and 16-inch water main at a cost of $344,459.62.

- The County approved SpawGlass Civil Construction, Inc., bid for construction of this project on March 20, 2015. As part of the joint bidding, advanced approval for funding and for the execution of an Interlocal Agreement is required by the County prior to issuing a notice to proceed on construction. The executed Interlocal Agreement and the amount advanced to the County will reflect the actual bid price and contingency amount for the project.

- Funds as determined by the amount bid will be transferred to the County following the execution of the Interlocal Agreement.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

<table>
<thead>
<tr>
<th>System</th>
<th>District Special Project</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$123,314.37</td>
<td>$413,683.46</td>
<td>$536,997.83</td>
</tr>
</tbody>
</table>

The System’s Project Fund will finance $123,314.37 of the total expenditure included in the System’s CY 2015 Capital Improvement Program. The water work is included in the Water Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $123,314.37 for water work, including $112,103.97 for construction and $11,210.40 for construction contingency expenses. The System job number is 14-5001-000. The District Special Project Fund will finance $413,683.46 of the total expenditure included in the CY 2015 District Special Project Capital Improvement Program. The amount is $413,683.46 for water work, including $376,075.87 for construction and $37,607.59 for construction contingency expenses. The DSP job number is DSP-14-5201-000.

*The allocation between the System and the District Special Project is an estimate. Actual amounts charged to each entity may vary from this estimate as long as the total amount of the contract is not exceeded.*
SUPPLEMENTARY COMMENTS:

The engineer’s estimated construction cost for this project is $722,239.35 and the contractor’s construction cost is $488,179.84. The difference is 32.4 percent.

Frances Plocek, P.E
Director
Governmental Engineering

Ashok S. Kaji, P.E.
Interim-Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
SAN ANTONIO WATER SYSTEM

WALZEM ROAD (RECONSTRUCTION):
GIBBS SPRAWL TO SEGUIN ROAD

LEGEND

★★★★ PROJECT SITE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES, CONCERNING BOTH THE SAN ANTONIO
WATER SYSTEM AND THE DISTRICT SPECIAL
PROJECT, APPROVING THE EXPENDITURE OF FUNDS
IN THE AMOUNT OF $488,179.84 FOR THE
ADJUSTMENT AND REPLACEMENT OF WATER
 FACILITIES BY BEXAR COUNTY PUBLIC WORKS IN
CONNECTION WITH THE WALZEM ROAD
(RECONSTRUCTION): GIBBS SPRAWL TO SEGUIN
ROAD PROJECT; APPROVING AN AMOUNT NOT TO
EXCEED $48,817.99 FOR CONSTRUCTION
CONTINGENCY EXPENSES RELATED TO THE
PROJECT WORK; APPROVING AN AMOUNT NOT TO
EXCEED $536,997.83 BE MADE AVAILABLE AND
EXPENDED FROM BOTH THE SYSTEM’S AND DSP’S
PROJECT FUND FOR THE PROJECT WORK AND
RELATED CONSTRUCTION CONTINGENCIES;
APPROVING AN INTERLOCAL AGREEMENT WITH
BEXAR COUNTY PUBLIC WORKS AND AUTHORIZING
THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS
DULY APPOINTED DESIGNEE TO EXECUTE THE
INTERLOCAL AGREEMENT AND TO PAY IN ADVANCE
TO BEXAR COUNTY PUBLIC WORKS AN AMOUNT NOT
TO EXCEED $536,997.83 FOR THE PROJECT WORK AND
RELATED CONSTRUCTION CONTINGENCIES FOR
BOTH THE SYSTEM AND THE DSP; FINDING THE
RESOLUTION TO HAVE BEEN CONSIDERED
PURSUANT TO THE LAWS GOVERNING OPEN
MEETINGS; PROVIDING A SEVERABILITY CLAUSE;
AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s District Special Project (the
“DSP”) was created by the City Council of the City of San Antonio on October 20, 2011,
pursuant to Ordinance No. 2011-10-20-0845, and this action is related to, and consistent with
that Ordinance; and

WHEREAS, this action concerns both the San Antonio Water System (the
“System”) and the DSP; and

WHEREAS, Bexar County Public Works (the “County”) proposes to construct
the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project; and

WHEREAS, the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road
Project will require the adjustment and replacement of certain water facilities of the System; and

WHEREAS, the project work will consist of the System water replacements of
approximately 402 feet of 8-inch and 12-inch water main, and DSP water adjustments of
approximately 433 feet of 8-inch main, and DSP water replacements of approximately 1,377 feet
of 8-inch and 16-inch water main (the “project work”); and
WHEREAS, the County has requested that the System execute an Interlocal Agreement and pay the County in advance the sum of $488,179.84 for the project work costs; and

WHEREAS, System and DSP funds in the amount of $488,179.84 are required for the project work; and

WHEREAS, additional System and DSP funds in an amount not to exceed $48,817.99 may be required for construction contingency expenses in connection with the project work; and

WHEREAS, the amount of $536,997.83 is available from the System’s and DSP’s Project Fund for the project work and related construction contingency expenses; and

WHEREAS, it is estimated the amount to be expended from the System Fund is $123,314.37 and the amount to be expended from the DSP Fund is $413,683.46; however, the actual amounts of this allocation between the System and the DSP may vary so long as the total amount is not exceeded; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount of $488,179.84 for the adjustment and replacement of water facilities by Bexar County Public Works in connection with the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project, (ii) to approve the expenditure of an amount not to exceed $48,817.99 for construction contingency expenses in connection with the project work, (iii) to approve the expenditure of an amount not to exceed $536,997.83 from the System’s and the DSP’s Project Fund to pay Bexar County Public Works for the project work and related construction contingencies, and (iv) to approve an Interlocal Agreement with Bexar County Public Works and to authorize the President/Chief Executive Officer or his duly appointed designee to execute an Interlocal Agreement and to pay in advance an amount not to exceed $536,997.83 to Bexar County Public Works for the project work and related construction contingencies for both the System and the DSP; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES CONCERNING BOTH THE SYSTEM AND THE DISTRICT SPECIAL PROJECT:

1. That the expenditure of funds in the amount of $488,179.84 for the adjustment and replacement of water facilities by the County in connection with the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project is hereby approved.

2. That expenditures for construction contingencies in connection with the project work in an amount not to exceed $48,817.99 are also hereby approved.

3. That a total sum not to exceed $536,997.83 to pay the County for the project work costs and related construction contingency expenses is hereby made available and is to be expended from the System’s and the DSP’s Project Fund.
4. That the estimated amount of $123,314.37 is hereby made available to be expended from the System Fund and the estimated amount of $413,683.46 is hereby made available to be expended from the DSP Fund. The actual amounts of this allocation between the System and the DSP may vary so long as the total amount is not exceeded.

5. That an Interlocal Agreement with Bexar County Public Works substantially in the form of the agreement attached hereto is hereby approved and the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement and pay in advance to the Bexar County Public Works an amount not to exceed $536,997.83 for the project work and related construction contingencies in connection with the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road Project.

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

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

8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Patricia E. Merritt, Secretary
STATE OF TEXAS §
COUNTY OF BEXAR §
INTERLOCAL AGREEMENT

This Interlocal Agreement is made and entered into this ___ day of _______ 2015, by and between the COUNTY OF BEXAR, a political subdivision of the State of Texas (“COUNTY”), and SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, a political subdivision of the State of Texas (“SAWS”) (also, individually, a “Party” or, collectively, the “Parties), pursuant to the Interlocal Cooperation Act, Chapter 791 of the Government Code.

PURPOSE

1.01 The purpose of this Agreement is to facilitate the COUNTY’s improvement of the Walzem Road (Reconstruction): Gibbs Sprawl to Seguin Road (the “Project”) by including certain necessary SAWS installations and adjustments in COUNTY’s Specifications for the Project, thus assuring the coordination of COUNTY’s road and drainage improvements with SAWS’s adjustments and installations.

SERVICES

2.01 COUNTY agrees to include in the Bexar County Public Works Specifications for the Project the plans and specifications for SAWS Water Job No. 14-5001 and DSP Water Job No. 14-5201 (the “SAWS Work”) which SAWS shall prepare and deliver to COUNTY and is incorporated by reference herein, and to contract for the performance of the SAWS Work.

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

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

2.04 COUNTY agrees to allow SAWS access to the Project site to (i) inspect and witness testing of the SAWS Work and to determine if the SAWS Work is in conformity with the plans, specifications and special provisions applicable thereto and is in good working order, and (ii) verify all quantities used in connection with the SAWS Work.

FEE

3.01 COUNTY acknowledges that SAWS has provided the COUNTY with two signed copies of this Interlocal Agreement. COUNTY will return one fully executed original to SAWS upon COUNTY’s approval. Additionally, COUNTY acknowledges that SAWS has conditionally delivered to COUNTY good and sufficient funds (the “Funds”) for the bid amount (See Exhibit A) plus ten percent (10.0%) contingency. Any and all control and beneficial use of the funds by the COUNTY, will be contingent on SAWS receiving a fully executed original of this Interlocal Agreement from the COUNTY.
3.02 For materials and construction used in the SAWS Work, SAWS agrees to pay to COUNTY the amount of Five Hundred, Thirty-Six Thousand, Nine Hundred Ninety-Seven and 83/100’s Dollars ($536,997.83), which includes the Original Bid amount and the ten percent (10.0%) contingency.

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

(a) **Costs exceed Original Bid but do not exceed the Original Bid plus ten percent (10.0%) contingency.** Once COUNTY receives notice from the Contractor that additional funds will be needed for SAWS Work, COUNTY will notify SAWS in writing of the change order. Unless, SAWS objects within five (5) business days of receipt of the written notification of the change order, COUNTY will proceed with SAWS Work and utilize the contingency amount for payment to the Contractor.

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

(c) If a change order results in total costs exceeding the amount stated in §3.02, COUNTY will send copies of invoices covering the additional amounts authorized by a change order approved by SAWS staff, and SAWS shall pay COUNTY the additional amounts in the approved change order within 15 days, unless further time is required for Board action to appropriate funds.

3.04 If the cost of performing the SAWS Work is less than the amount stated in §3.02, COUNTY agrees to refund the overpayment to SAWS within 15 days of determination of same.

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

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

4.01 SAWS agrees to accept full responsibility for inspection and acceptance of work performed as the SAWS Work.

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

ENTIRE AGREEMENT

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

ATTORNEY’S FEES

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

TEXAS LAW TO APPLY

7.01 This Agreement is performable in Bexar County, Texas and the validity of any of its terms or provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas.

SEVERABILITY

8.01 If any one or more of the provisions contained in the Agreement is for any reason be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provision and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

AMENDMENT

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

THIRD PARTY BENEFICIARY

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

**INDEMNIFICATION**

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

**INSURANCE**

12.01 In all contracts entered into by COUNTY for SAWS Work, County shall include provisions reflecting:

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

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

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

**CURRENT REVENUES**

13.01 In accordance with Section 791.011(d)(3) of the Texas Government Code, the party paying for the performance of governmental functions or services, if any, must make those payments from current revenues available to the paying party.
EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH WILL HAVE FULL FORCE AND EFFECT ON THIS _____ DAY OF ______________________, 2015.

BEXAR COUNTY, TEXAS
By: ________________________________
  Nelson W. Wolff
  County Judge

SAN ANTONIO WATER SYSTEM
By: ________________________________
  Robert R. Puente
  President/Chief Executive Officer

ATTEST:
By: ________________________________
  Gerard Rickhoff
  County Clerk

APPROVED AS TO LEGAL FORM:

  Nicholas LaHood
  Criminal District Attorney
  Bexar County, Texas

By: ________________________________
  Larry L. Roberson
  Assistant Criminal District Attorney
  -Civil Section

APPROVED AS TO FINANCIAL FORM:

By: ________________________________
  Susan Yeatts
  County Auditor

By: ________________________________
  David Smith
  County Manager

APPROVED:

By: ________________________________
  Renee D. Green, PE
  Director of Public Works/County Engineer
**Exhibit “A”**

**Bid Amount and Funds Committed by SAWS**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAWS Water Main Replacement&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$112,103.97</td>
</tr>
<tr>
<td>DSP Water Main Adjustment/Replacement&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$376,075.87</td>
</tr>
<tr>
<td>Contingency (10.0% of Construction)</td>
<td>$48,817.99</td>
</tr>
<tr>
<td><strong>Total SAWS Contribution</strong></td>
<td><strong>$536,997.83</strong></td>
</tr>
</tbody>
</table>

1. Approx. 88 LF of 8-inch DI Water Pipe & 314 LF of 12-inch DI Water Pipe
2. Approx. 433 LF of 8-inch DI adjustment & 1,377 LF of 8-inch and 16-inch DI replacement
TO: San Antonio Water System Board of Trustees

FROM: Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: AWARD OF ENGINEERING CONTRACT – LOOP 1604: POTRANCO TO US HWY 90 PROJECT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution awards an engineering contract to Pape-Dawson Engineers, Inc., a local, non-minority owned firm, and authorizes funds in an amount not to exceed $96,565.00 for the Loop 1604: Potranco to US Hwy 90 Project. This project is located in Council District 4.

- Texas Department of Transportation (TxDOT) proposes to widen Loop 1604 to a four lane expressway from Potranco Road to US Highway 90. The improvements will be located within the area illustrated on the attached maps. TxDOT selected LJA Engineering to provide the engineering services in connection with their roadway improvements and Pape-Dawson Engineers, Inc. to provide the engineering services in connection with the drainage improvements.

- Due to the improvements on the Loop 1604: Potranco to US Hwy 90 Project, the existing water mains within the project boundaries that were constructed in 2000 - 2006 do not require replacement but may require adjustment due to the proposed street and drainage improvements.

- The existing sewer mains within the project boundaries that were constructed in 1986 do not require replacement but may require adjustment due to proposed street and drainage improvements.

- In addition, the need for the installation of a 12-inch water main between Dove Canyon and Potranco Road was identified in the Water Master Plan within the limits of this project. The new water main will provide increased capacity and efficiency.

- The water work will consist of the installation of approximately 5,100 feet of 12-inch water main, approximately 700 feet of 36-inch casing for existing 20-inch water mains and 395 feet of split casing at an estimated cost of $1,293,750.00.

- The sewer work will consist of the adjustment of approximately two manholes of the existing sewer main at an estimated cost of $9,090.00.
• TxDOT utilized a selection process that meets State requirements for the procurement of professional services.

• The San Antonio Water System’s (SAWS) Architect/Engineer selection procedure provides the option to contract with the consulting engineer selected by another agency.

• SAWS has elected to contract separately with Pape-Dawson Engineers, Inc. to design sewer and water facility adjustments and installations within this project.

• The scope of services includes standard engineering contract services for a lump sum fee of $78,145.00

• Supplemental services include, but may not be limited to, additional design services associated with adjustment work for a not-to-exceed fee of $18,420.00.

• The total fee for engineering design services is not to exceed $96,565.00.

• SAWS staff will review the design documents and perform coordination as required. SAWS will joint bid the construction of this project with the Texas Department of Transportation.

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

The Project Fund will finance this expenditure included in the CY 2015 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $87,475.00 for water related engineering services. The job number is 15-5012-000.

The wastewater work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $9,090.00 for sewer related engineering services. The job number is 15-5512-000.

Frances Plocek, P.E.  
Director  
Governmental Engineering

Ashok S. Kaji, P.E.  
Interim-Vice President  
Engineering and Construction

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF PAPE-DAWSON ENGINEERS, INC. IN AN AMOUNT NOT TO EXCEED $96,565.00 FOR THE DESIGN OF WATER AND SEWER FACILITY ADJUSTMENTS AND INSTALLATIONS IN CONNECTION WITH THE LOOP 1604: POTRANCO TO US HWY 90 PROJECT; AWARDING A PROFESSIONAL SERVICES CONTRACT TO PAPE-DAWSON ENGINEERS, INC. IN AN AMOUNT NOT TO EXCEED $96,565.00 FOR ENGINEERING SERVICES IN CONNECTION WITH THE PROJECT; APPROVING AN AMOUNT NOT TO EXCEED $96,565.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTE D DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH PAPE-DAWSON ENGINEERS, INC. AND TO PAY PAPE-DAWSON ENGINEERS, INC. AN AMOUNT NOT TO EXCEED $96,565.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Loop 1604: Potranco to US Hwy 90 Project is a Texas Department of Transportation (the “TxDOT”) project; and

WHEREAS, the Loop 1604: Potranco to US Hwy 90 Project requires the adjustment and installation of certain water and sewer facilities on the San Antonio Water System (the “System”); and

WHEREAS, the System requires professional engineering services for the design of water and sewer facility adjustments and installations in connection with the TxDOT’s project (the “project engineering work”); and

WHEREAS, the project engineering work will consist of basic and supplemental services necessary for the design and construction of the project; and

WHEREAS, the System’s Architect/Engineer selection procedure provides the option to contract with the consulting engineer selected by another agency; and

WHEREAS, Pape-Dawson Engineers, Inc. has submitted a proposal in an amount not to exceed $96,565.00 to perform the project engineering work; and
WHEREAS, the amount of $96,565.00 is available from the System’s Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of Pape-Dawson Engineers, Inc. in an amount not to exceed $96,565.00 for the project engineering work in connection with the Loop 1604: Potranco to US Hwy 90 Project, (ii) to award a professional services contract to Pape-Dawson Engineers, Inc. in an amount not to exceed $96,565.00 for the project engineering work, (iii) to make available for the project engineering work an amount not to exceed $96,565.00 from the San Antonio Water System’s Project Fund, and (iv) to authorize the System’s President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with Pape-Dawson Engineers, Inc. and to pay an amount not to exceed $96,565.00 to Pape-Dawson Engineers, Inc. for the project engineering work; now, therefore:

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

1. That the proposal of Pape-Dawson Engineers, Inc. in an amount not to exceed $96,565.00 for the project engineering work in connection with the Loop 1604: Potranco to US Hwy 90 Project is hereby accepted.

2. That a professional services contract in an amount not to exceed $96,565.00 is hereby awarded to Pape-Dawson Engineers, Inc. for engineering services in connection with the project.

3. That an amount not to exceed $96,565.00 for the project engineering work is hereby made available and is to be expended from the System’s Project Fund.

4. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract for architect/engineer services with Pape-Dawson Engineers, Inc. and to pay an amount not to exceed $96,565.00 to Pape-Dawson Engineers, Inc. for the project engineering work.

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

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

    PASSED AND APPROVED this 18\textsuperscript{th} day of May, 2015.

________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Frances Plocek, P.E., Director, Governmental Engineering and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: AUTHORIZATION CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT TO AWARD AN ENGINEERING CONTRACT IN CONNECTION WITH THE CITY OF CASTLE HILLS 2014 - 2015 STREET MAINTENANCE PROJECT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution relates to both the San Antonio Water System (the “System”) and the District Special Project (the “DSP”) and authorizes funds in an amount not to exceed $103,345.00 for the City of Castle Hills 2014 - 2015 Street Maintenance Project. This project is located in the City of Castle Hills (the “City”).

- The City proposes to improve the streets within the city limits. The improvements will be located within the area illustrated on the attached maps. The City selected GMK Engineers to provide the engineering services in connection with the City of Castle Hills 2014 - 2015 Street Maintenance Project.

- Due to the street improvements on the City of Castle Hills 2014 - 2015 Street Maintenance Project, the existing water mains constructed in 1958 require replacement to meet current System standards.

- The existing sewer manhole constructed in 1966 requires adjustment to avoid conflicts with the street improvements and the sewer mains that were constructed between 1959 through 1977 require replacement to meet current System standards.

- The water work will consist of the replacement of approximately 6,038 feet of 6-inch and 2-inch water main with an 8-inch water main at an estimated cost of $441,958.80.

- The sewer work will consist of the replacement of approximately 5,223 feet of 4-inch, 8-inch and 10-inch sewer main and adjustment of one manhole at an estimated cost of $892,069.95.

- The City utilized a selection process that meets State requirements for the procurement of professional services.
The System’s Architect/Engineer selection procedure provides the option to contract with the consulting engineer selected by another agency.

The System has elected to contract separately with GMK Engineers to design sewer and water facility replacements and installations within this project.

The scope of services includes standard engineering contract services for a lump sum fee of $79,475.00.

Supplemental services include, but may not be limited to, topographic surveys required for the project design for a not-to-exceed fee of $23,870.00.

The total fee for engineering design services is not to exceed $103,345.00.

The System’s staff will review the design documents and perform coordination as required. The System will joint bid the construction of this project with the City.

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

<table>
<thead>
<tr>
<th>System</th>
<th>District Special Project</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55,490.00</td>
<td>$47,855.00</td>
<td>$103,345.00</td>
</tr>
</tbody>
</table>

The District Special Project Fund will finance $47,855.00 of the total expenditure included in the CY 2015 District Special Project Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental –Water Category, and Governmental Water Replacements budgeted line item. The amount is $47,855.00 for water related engineering services. The job number is DSP-15-5201-000.

The wastewater work is included in the Wastewater Core Business, Governmental –Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $55,490.00 for sewer related engineering services. The job number is 15-5502-000.

---

**Approvals:**

- **Frances Plocek, P.E.**  
  Director  
  Governmental Engineering

- **Ashok S. Kaji, P.E.**  
  Interim-Vice President  
  Engineering and Construction

**Approved by:**

- **Robert R. Puente**  
  President/Chief Executive Officer

**Attachments:**

1. Project Area Map
2. Project Site Map
OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES, CONCERNING BOTH THE SAN ANTONIO
WATER SYSTEM AND THE DISTRICT SPECIAL
PROJECT, ACCEPTING THE PROPOSAL OF GMK
ENGINEERS IN AN AMOUNT NOT TO EXCEED
$103,345.00 FOR THE DESIGN OF WATER AND SEWER
FACILITY ADJUSTMENTS AND REPLACEMENTS IN
CONNECTION WITH THE CITY OF CASTLE HILLS 2014 -
2015 STREET MAINTENANCE PROJECT; AWARDING A
PROFESSIONAL SERVICES CONTRACT TO GMK
ENGINEERS IN AN AMOUNT NOT TO EXCEED
$103,345.00 FOR ENGINEERING SERVICES IN
CONNECTION WITH THE PROJECT; APPROVING AN
AMOUNT NOT TO EXCEED $103,345.00 BE MADE
AVAILABLE AND EXPENDED FROM BOTH THE
SYSTEM’S AND DSP’S PROJECT FUND FOR THE
PROJECT ENGINEERING WORK; AUTHORIZING THE
PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY
APPOINTED DESIGNEE TO EXECUTE A
PROFESSIONAL SERVICES CONTRACT WITH GMK
ENGINEERS AND TO PAY GMK ENGINEERS AN
AMOUNT NOT TO EXCEED $103,345.00 FOR THE
PROJECT ENGINEERING WORK; FINDING THE
RESOLUTION TO HAVE BEEN CONSIDERED
PURSUANT TO THE LAWS GOVERNING OPEN
MEETINGS; PROVIDING A SEVERABILITY CLAUSE;
AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s District Special Project (the “DSP”) was created by the City Council of the City of San Antonio on October 20, 2011, pursuant to Ordinance No. 2011-10-20-0845, and this action is related to, and consistent with, that Ordinance; and

WHEREAS, this action concerns both the San Antonio Water System (the “System”) and the DSP; and

WHEREAS, the City of Castle Hills 2014 - 2015 Street Maintenance Project is a City of Castle Hills (the “City”) project; and

WHEREAS, the City of Castle Hills 2014 - 2015 Street Maintenance Project requires the adjustments and replacements of certain water and sewer facilities on the System; and
WHEREAS, the System requires professional engineering services for the design of water and sewer facility adjustments and replacements in connection with the City’s project (the “project engineering work”); and

WHEREAS, the project engineering work will consist of basic and supplemental services necessary for the design and construction of the project; and

WHEREAS, the City is funding the design of street improvements for this project and selected GMK Engineers; and

WHEREAS, the City utilized a selection process that meets State requirements for the procurement of professional services; and

WHEREAS, the System’s Architect/Engineer selection procedure provides the option to contract with the consulting engineer selected by another agency; and

WHEREAS, GMK Engineers has submitted a proposal in an amount not to exceed $103,345.00 to perform the project engineering work; and

WHEREAS, the amount of $103,345.00 is available from the System’s and DSP’s project fund for the project engineering work; and

WHEREAS, the amount to be expended from the System Fund is $55,490.00 and the amount to be expended from the DSP Fund is $47,855.00; however, the actual amounts of this allocation between the System and the DSP may vary so long as the total amount is not exceeded; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of GMK Engineers in an amount not to exceed $103,345.00 for the project engineering work in connection with the City of Castle Hills 2014 - 2015 Street Maintenance Project, (ii) to award a professional services contract to GMK Engineers in an amount not to exceed $103,345.00 for the project engineering work, (iii) to make available for the project engineering work an amount not to exceed $103,345.00 from the System’s and DSP’s Project Fund, and (iv) to authorize the System’s President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with GMK Engineers and to pay GMK Engineers an amount not to exceed $103,345.00 for the project engineering work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES CONCERNING BOTH THE SYSTEM AND THE DISTRICT SPECIAL PROJECT:

1. That the proposal of GMK Engineers in an amount not to exceed $103,345.00 for the project engineering work in connection with the City of Castle Hills 2014 - 2015 Street Maintenance Project is hereby accepted.
2. That a professional services contract in an amount not to exceed $103,345.00 is hereby awarded to GMK Engineers for engineering services in connection with the project.

3. That an amount not to exceed $103,345.00 for the project engineering work is hereby made available and is to be expended from the System’s and DSP’s Project Fund.

4. The amount of $55,490.00 is hereby made available to be expended from the System Fund and the estimated amount of $47,855.00 is hereby made available to be expended from the DSP Fund. The actual amounts of this allocation between the System and the DSP may vary so long as the total amount is not exceeded.

5. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract for architect/engineer services with GMK Engineers and to pay GMK Engineers an amount not to exceed $103,345.00 for the project engineering work.

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

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

8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________
Patricia E. Merritt, Secretary
AGENDA ITEM NO. 15

TO: San Antonio Water System Board of Trustees

FROM: Jeff S. Brown, Director, Western Service Centers, and Michael S. Brinkmann, Vice President, Distribution and Collection Operations

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

SUBJECT: AUTHORIZATION CONCERNING THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT TO AWARD THE 2015 ANNUAL WATER DISTRIBUTION LEAK REPAIRS CONSTRUCTION CONTRACT - PACKAGE 1

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution relates to the San Antonio Water System (SAWS) and the District Special Project (DSP), and awards a construction contract in the amount of $971,130.00 to D. Guerra Construction, LLC, a non-local, SMWB enterprise in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 1.

- SAWS has typically experienced a high volume of leaks in approximately 6,700 plus miles of combined water distribution mains and appurtenances every year, especially during extended periods of dry weather.

- Many of the water leaks are discovered by in-house leak detection crews and contracted valve preventive maintenance in conjunction with SAWS’ proactive conservation program to find and repair leaks. Other leaks are reported to SAWS by water-conscious public citizens.

- This contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary leak repairs, thus resulting in more rapid response times and less lost water while allowing the crews to optimize their level of service to our customers.

- The contract will allow for work orders to be issued to the contractor for the leak repairs. The work orders will be issued and managed by SAWS Operations staff and will be charged against the contract as they are completed.

- The standard construction bidding process was used for this contract.

- D. Guerra Construction, LLC submitted the lowest responsive bid of $971,130.00.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The cost will be paid from the System Fund in the 2015, 2016, and 2017 Distribution and Collection Operations budget (Company: 1000, Accounting Units: 5025900, 5026500, 5026800, and 5027100, Account: 511220) in the total amount of $971,130.00 for construction pursuant to and contingent upon Board approval of the 2016 and 2017 budgets with a line item for such expenditures. The SAWS job number for the replacement of any water service lines, valves or fire hydrants is 15-1401 (CIP). The SAWS job number for all other work is 15-0105 (O&M). DSP job number for the replacement of any water service lines, valves or fire hydrants is 15-4303 (CIP).

*Actual amounts charged to SAWS and the DSP may vary as long as the total amount of the contract is not exceeded.*

**SUPPLEMENTARY COMMENTS:**

SAWS Engineering staff prepared the specifications for this project. The bid opening was held on March 19, 2015 at 10:00 a.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>D. Guerra Construction, LLC*</td>
<td>$ 971,130.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,000,000.00</td>
<td></td>
</tr>
<tr>
<td>Austin Constructors, LLC</td>
<td>$1,153,045.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oilfield Services, Co., Inc.</td>
<td>$1,245,510.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

* Lowest responsible bidder

The bid amount by D. Guerra Construction, LLC represents a 0.97% decrease from the estimated construction cost.

This contract provides for 730 calendar days for completion of this contract or until funds have been exhausted.
The SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>2015 Annual Water Distribution Leak Repairs - Package 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>D. GUERRA CONSTRUCTION, LLC</td>
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<tr>
<td>SMWB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE - Asian</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
</tr>
<tr>
<td>MBE - Other</td>
</tr>
<tr>
<td>WBE - Minority</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
</tr>
<tr>
<td>SMWB Total</td>
</tr>
</tbody>
</table>

Jeff S. Brown, P.E.
Director
Western Service Centers

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Michael S. Brinkmann
Vice President
Distribution and Collection Operations
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT, ACCEPTING THE BID OF D. GUERRA CONSTRUCTION, LLC, FOR A CONSTRUCTION CONTRACT IN THE AMOUNT OF $971,130.00 IN CONNECTION WITH THE 2015 ANNUAL WATER DISTRIBUTION LEAK REPAIRS CONSTRUCTION CONTRACT - PACKAGE 1; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $971,130.00 TO D. GUERRA CONSTRUCTION, LLC IN CONNECTION WITH THE 2015 ANNUAL WATER DISTRIBUTION LEAK REPAIRS CONSTRUCTION CONTRACT - PACKAGE 1; APPROVING THE EXPENDITURE OF FUNDS AND TO MAKE AVAILABLE THE AMOUNT OF $971,130.00 FROM THE SYSTEM FUND AND DSP FUND FOR THE PROJECT WORK, PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE 2016 AND 2017 BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH D. GUERRA CONSTRUCTION, LLC AND TO PAY D. GUERRA CONSTRUCTION, LLC THE AMOUNT OF $971,130.00 FOR THE SYSTEM'S AND DSP'S OBLIGATIONS UNDER THE TERMS OF THE CONTRACT FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s District Special Project (the “DSP”) was created by the City Council of the City of San Antonio on October 20, 2011, pursuant to Ordinance No. 2011-10-20-0845, and this action is related to, and consistent with, that Ordinance; and

WHEREAS, this action concerns both the San Antonio Water System (the “System”) and the DSP; and

WHEREAS, the System typically experiences a high volume of leaks in the water distribution system every year, especially during an extended period of dry weather; and

WHEREAS, the System requires construction services to perform the necessary leak repairs (the “project work”) during periods when the volume of leaks is high in order to relieve the stress on in-house crews; and
WHEREAS, this contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary leak repairs, thus resulting in more rapid response times and less lost water while allowing the crews to optimize their level of service to our customers; and

WHEREAS, all funds have been exhausted from the 2013 Annual Water Distribution Leak Repairs Construction Contracts and the quantities for the predefined line items have been adjusted to better reflect work order history, which prompted the advertisement and award of this new contract using the standard bidding process; and

WHEREAS, D. Guerra Construction, LLC, a non-local, SMWB contractor, submitted a bid in the amount of $971,130.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, System and DSP funds in the amount of $971,130.00 are required for the project work; and

WHEREAS, the total amount of $971,130.00 is available from the System and DSP funds for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of D. Guerra Construction, LLC for a construction contract in the amount of $971,130.00 in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 1, (ii) to award a construction contract in the amount of $971,130.00 to D. Guerra Construction, LLC, in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 1, (iii) to approve the expenditure of funds in the amount of $971,130.00 from the System Fund and DSP Fund for the project work, pursuant to and contingent upon Board approval of the 2016 and 2017 budgets with appropriate line items for such expenditures, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with D. Guerra Construction, LLC and to pay D. Guerra Construction, LLC the amount of $971,130.00 for the System’s and DSP’s obligations under the terms of the contract for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES CONCERNING THE SYSTEM AND THE DISTRICT SPECIAL PROJECT:

1. That the bid of D. Guerra Construction, LLC in the amount of $971,130.00 for the project work in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 1 is hereby accepted.

2. That the contract is hereby awarded to D. Guerra Construction, LLC in the amount of $971,130.00 for the project work in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 1.
3. That the expenditure of funds in the not to exceed amount of $971,130.00 for the project work is hereby approved and made available from the System Fund and DSP Fund, pursuant to and contingent upon Board approval of the 2016 and 2017 budgets with a line items for such expenditures.

4. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with D. Guerra Construction, LLC for the project work and to pay an amount of $971,130.00 for the System’s and DSP’s obligations under the terms of the contract to D. Guerra Construction, LLC for the project work in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 1.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________
Patricia E. Merritt, Secretary
AGENDA ITEM NO. 16

TO: San Antonio Water System Board of Trustees

FROM: Jeff S. Brown, Director, Western Service Centers, and Michael S. Brinkmann, Vice President, Distribution and Collection Operations

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

SUBJECT: AUTHORIZATION CONCERNING THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT TO AWARD THE 2015 ANNUAL WATER DISTRIBUTION LEAK REPAIRS CONSTRUCTION CONTRACT - PACKAGE 2

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution relates to the San Antonio Water System (SAWS) and the District Special Project (DSP), and awards a construction contract in the amount of $997,525.00 to Austin Constructors, LLC, a non-local, SMWB enterprise in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 2.

- SAWS has typically experienced a high volume of leaks in approximately 6,700 plus miles of combined water distribution mains and appurtenances every year, especially during extended periods of dry weather.

- Many of the water leaks are discovered by in-house leak detection crews and contracted valve preventive maintenance in conjunction with SAWS’ proactive conservation program to find and repair leaks. Other leaks are reported to SAWS by water-conscious public citizens.

- This contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary leak repairs, thus resulting in more rapid response times and less lost water while allowing the crews to optimize their level of service to our customers.

- The contract will allow for work orders to be issued to the contractor for the leak repairs. The work orders will be issued and managed by SAWS Operations staff and will be charged against the contract as they are completed.

- The standard construction bidding process was used for this contract.

- Austin Constructors, LLC submitted the lowest responsive bid of $997,525.00.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The cost will be paid from the System Fund in the 2015, 2016, and 2017 Distribution and Collection Operations budget (Company: 1000, Accounting Units: 5025900, 5026500, 5026800, and 5027100, Account: 511220) in the total amount of $997,525.00 for construction pursuant to and contingent upon Board approval of the 2016 and 2017 budgets with a line item for such expenditures. The SAWS job number for the replacement of any water service lines, valves or fire hydrants is 15-1401 (CIP). The SAWS job number for all other work is 15-0105 (O&M). DSP job number for the replacement of any water service lines, valves or fire hydrants is 15-4303 (CIP).

*Actual amounts charged to SAWS and the DSP may vary as long as the total amount of the contract is not exceeded.*

**SUPPLEMENTARY COMMENTS:**

SAWS Engineering staff prepared the specifications for this project. The bid opening was held on March 19, 2015 at 2:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin Constructors, LLC*</td>
<td>$ 997,525.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,000,000.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>D. Guerra Construction, LLC</td>
<td>$1,024,630.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oilfield Services Co., Inc.</td>
<td>$1,187,510.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

* Lowest responsible bidder

The bid amount by Austin Constructors, LLC is 0.25% under the estimated construction cost.

This contract provides for 730 calendar days for completion of this contract or until funds have been exhausted. This contract provides for two (2) to five (5) calendar days for completion of each individual work order issued.
The SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>2015 Annual Water Distribution Leak Repairs - Package 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AUSTIN CONSTRUCTORS, LLC SMWB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
<td>93.80%</td>
</tr>
<tr>
<td>MBE - Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE - Minority</td>
<td>0.20%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>6.00%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Jeff S. Brown, P.E.  
Director  
Western Service Centers

Michael S. Brinkmann
Vice President  
Distribution and Collection Operations

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT, ACCEPTING THE BID OF AUSTIN CONSTRUCTORS, LLC, IN THE AMOUNT OF $997,525.00 IN CONNECTION WITH THE 2015 ANNUAL WATER DISTRIBUTION LEAK REPAIRS CONSTRUCTION CONTRACT - PACKAGE 2; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $997,525.00 TO AUSTIN CONSTRUCTORS, LLC IN CONNECTION WITH THE 2015 ANNUAL WATER DISTRIBUTION LEAK REPAIRS CONSTRUCTION CONTRACT - PACKAGE 2; APPROVING THE EXPENDITURE OF FUNDS AND TO MAKE AVAILABLE THE AMOUNT OF $997,525.00 FROM THE SYSTEM FUND AND DSP FUND FOR THE PROJECT WORK, PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE 2016 AND 2017 BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH AUSTIN CONSTRUCTORS, LLC AND TO PAY AUSTIN CONSTRUCTORS LLC THE AMOUNT OF $997,525.00 FOR THE SYSTEM’S AND DSP’S OBLIGATIONS UNDER THE TERMS OF THE CONTRACT FOR THE PROJECT WORK AND CONSTRUCTION CONTINGENCY EXPENSES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s District Special Project (the “DSP”) was created by the City Council of the City of San Antonio on October 20, 2011, pursuant to Ordinance No. 2011-10-20-0845, and this action is related to, and consistent with, that Ordinance; and

WHEREAS, this action concerns both the San Antonio Water System (the “System”) and the DSP; and

WHEREAS, the System typically experiences a high volume of leaks in the water distribution system every year, especially during an extended period of dry weather; and

WHEREAS, the System requires construction services to perform the necessary leak repairs (the “project work”) during periods when the volume of leaks is high in order to relieve the
stress on in-house crews; and

WHEREAS, this contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary leak repairs, thus resulting in more rapid response times and less lost water while allowing the crews to optimize their level of service to our customers; and

WHEREAS, all funds have been exhausted from the 2013 Annual Water Distribution Leak Repairs Construction Contracts and the quantities for the predefined line items have been adjusted to better reflect work order history, which prompted the advertisement and award of this new contract using the standard bidding process; and

WHEREAS, Austin Constructors, LLC, a non-local, SMWB contractor, submitted a bid in the amount of $997,525.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, System and DSP funds in the amount of $997,525.00 are required for the project work; and

WHEREAS, the total amount of $997,525.00 is available from the System Fund and DSP Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Austin Constructors, LLC in the amount of $997,525.00 for the project work in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 2, (ii) to award a construction contract to Austin Constructors, LLC in the amount of $997,525.00 for the project work, (iii) to approve the expenditure of and make available from the System Fund and DSP Fund the amount of $997,525.00 for the project work, pursuant to and contingent upon Board approval of the 2016 and 2017 budgets with a line item for such expenditures, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Austin Constructors, LLC for the System’s and DSP’s obligations under the terms of the contract for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES CONCERNING THE SYSTEM AND THE DISTRICT SPECIAL PROJECT:

1. That the bid of Austin Constructors, LLC in the amount of $997,525.00 for the project work in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 2 is hereby accepted.

2. That a construction contract in an amount of $997,525.00 for the project work is hereby awarded to Austin Constructors, LLC.
3. That the expenditure of funds in the not to exceed amount of $997,525.00 for the project work is hereby approved and made available from the System Fund and DSP Fund, pursuant to and contingent upon Board approval of the 2016 and 2017 budgets with a line items for such expenditures.

4. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Austin Constructors, LLC and to pay the amount of $997,525.00 to Austin Constructors, LLC for the System’s and DSP’s obligations under the terms of the contract for the project work in connection with the 2015 Annual Water Distribution Leak Repairs Construction Contract - Package 2.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

___________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________________________
Patricia E. Merritt, Secretary
AGENDA ITEM NO._______

TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: ACCEPTING AN OFFER AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT WITH ARCHIE MCFADIN AND SARABETH MCFADIN FOR THE SALE OF 120.494 ACRES (WATKINS NORTH FARM) AND 255.784 ACRES (WATKINS SOUTH FARM) LOCATED ON HWY. 55 IN UVALDE COUNTY, TEXAS

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the offer of Archie McFadin and Sarabeth McFadin of $400,000.00 for the sale of 120.494 acres (Watkins Farm North) and $672,500.00 for the sale of 255.784 acres (Watkins Farm South), both located along Hwy. 55 in Uvalde County, Texas (the “Property”) and authorizes the execution of a Purchase Agreement (the “Agreement”) with Archie McFadin and Sarabeth McFadin for the sale of this Property for the aggregate purchase price of $1,072,500.00.

- San Antonio Water System’s (SAWS) Board of Trustees (the “Board”) declared the Property surplus by Board Resolution No. 05-027, which was approved on January 18, 2005.

- On June 9, 2005, by Ordinance No. 100996, the City Council of San Antonio declared the Property surplus, and authorized SAWS to sell the Property according to the requirements of Texas Local Government Code Section 272.001.

- On February 10, 2014, by Resolution 14-034, the Board authorized SAWS to sell the Property according to the requirements of Texas Local Government Code Section 253.014 which authorizes SAWS to contract with a real estate broker to market real property owned by the municipality and to sell the property pursuant to the highest offer. On January 15, 2015, by Ordinance No. 2015-01-15-0017, the City Council of San Antonio authorized SAWS to sell the Property pursuant to Texas Local Government Code Section 253.014.

- SAWS’ real estate broker, Cano and Company, listed the Property in the MLS beginning January 30, 2015, and negotiated directly with buyers and SAWS staff for the sale of the Property. SAWS listed the Watkins North Farm Property at a sale price of $390,000.00, and the Watkins South Farm Property at a sale price of $650,000.00, which was based on market appraisals of various tracts of land recently sold in the area.
Accepting offers and Executing a Purchase Agreement for the sale of 120.494 Acres – Watkins North Farm 255.784 Acres – Watkins South Farm

- The highest offer for the purchase of the Watkins North Farm Property was in the amount of $400,000.00 from Archie McFadin and Sarabeth McFadin.

- The highest offer for the purchase of the Watkins South Farm Property was in the amount of $672,500.00 from Archie McFadin and Sarabeth McFadin.

- SAWS’ Brokerage Agreement No. S-14-019-DB with Cano and Company, approved by the SAWS Board by Resolution No. 15-009, on January 6, 2015, authorizes SAWS to pay a commission of six percent (6%) of the sales price. The six percent (6%) commission will be shared equally by Cano and Company with the buyer’s broker, Chad Foster Jr., for their real estate services related to the sale of this property.

- This resolution authorizes SAWS to pay, pursuant to the Agreement, closing costs not to exceed $1,000.00.

Staff recommends that the Board approve this Resolution.

**FINANCIAL IMPACT:**

The expenditure of closing costs will be deducted from the sales proceeds at closing.

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Bruce A. Haby  
Manager, Corporate Real Estate

Nancy Belinsky  
Vice President and General Counsel

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES, ACCEPTING AN OFFER IN THE AMOUNT OF $400,000.00 FOR THE SALE OF APPROXIMATELY 120.494 ACRES “WATKINS NORTH FARM” AND $672,500.00 FOR THE SALE OF APPROXIMATELY 255.784 ACRES “WATKINS SOUTH FARM” LOCATED ON HWY. 55 IN UVALDE COUNTY, TEXAS AND APPROVING A PURCHASE AGREEMENT WITH ARCHIE McFADIN AND SARABETH McFADIN; AFFIRMING A SIX PERCENT COMMISSION TO BE PAID TO CANO AND COMPANY AT CLOSING AND AUTHORIZING PAYMENT OF CLOSING COSTS UP TO $1,000.00 AT CLOSING; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System met the requirements of City Ordinance No. 75686 and declared the Property surplus by Resolution No. 05-027, approved on January 18, 2005; and

WHEREAS, the City Ordinance No. 100996 approved on June 9, 2005, declared the Property surplus; and

WHEREAS, authorization to use Section 253.014 of the Texas Local Government Code, being the listing of a property on a multiple listing service rather than a sealed bid process, was approved by the System’s Board of Trustees (the “Board”) on February 10, 2014, Resolution 14-034; and

WHEREAS, the City Ordinance No. 2015-01-15-0017, approved on January 15, 2015, authorized the System to sell the property according to the Texas Local Government Code Section 253.014; and

WHEREAS, pursuant to Local Government Code Chapter 253.014, Cano and Company has marketed the property, and the highest offer in the amount of $400,000.00 for the Watkins North Farm and $672,500.00 for the Watkins South Farm were received by the System from Archie McFadin and Sarabeth McFadin; and

WHEREAS, the System’s Brokerage Agreement No. S-14-019-DB (the “Brokerage Agreement”) with Cano and Company, approved by the Board via Resolution No. 15-009, dated January 6, 2015, authorizes the System to pay a commission of six percent (6%) of the sales price to Cano and Company for its real estate services under the contract, which commission will be shared equally with the buyer’s broker, Chad Foster Jr.; and
WHEREAS, pursuant to the Purchase Agreement attached hereto as Attachment II, the System seeks to authorize the payment of up to $1,000.00 in closing costs to Alamo Title Insurance Company; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the offer from Archie McFadin and Sarabeth McFadin in the amount of $400,000.00 for the Watkins North Farm and $672,500.00 for the Watkins South Farm for a collective purchase price under the Purchase Agreement of $1,072,500.00 and approve a Purchase Agreement with Archie McFadin and Sarabeth McFadin for the sale of the 120.494 acres and 255.784 acres located on Hwy. 55 in Uvalde County, Texas, (ii) affirm the payment of a commission of six percent of the sales price to Cano and Company to be paid at closing pursuant to the Brokerage Agreement, if and only if closing occurs, (iii) authorize payments of up $1,000.00 in the aggregate for closing costs payable to Alamo Title Insurance Company, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute all documents necessary to complete the sale of the Property, including contract amendments/extensions that do not modify the purchase price, and perform all the duties and obligations of the seller in said Purchase Agreement; now, therefore:

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

1. That the offer from Archie McFadin and Sarabeth McFadin in the amount of $400,000.00 for the 120.494 acre Watkins North Farm and $672,500.00 for the 255.784 acre Watkins South Farm Property is hereby accepted and a Purchase Agreement for a collective purchase price of $1,072,500.00 with Archie McFadin and Sarabeth McFadin for the sale of said Property is hereby approved as attached hereto as Attachment II and incorporated herein for all purposes.

2. That a commission of six percent of the sales price is hereby affirmed to be paid to Cano and Company at closing pursuant to the Brokerage Agreement, if and only if closing occurs, which commission will be equally shared with the buyer’s broker, Chad Foster Jr.

3. That payment of up $1,000.00 in the aggregate for closing costs, payable to Alamo Title Insurance Company, is hereby authorized.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents, including contract amendments/extensions that do not modify the purchase price, necessary to complete the sale of the Property and perform all duties of the Seller under said Purchase Agreement.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Patricia E. Merritt, Secretary

Attachments:
I Area Map
II Purchase Agreement
SAN ANTONIO WATER SYSTEM
AREA MAP
ATTACHMENT I
ATTACHMENT II

PURCHASE AGREEMENT
Watkins North and South Farms

This Purchase Agreement (the "Agreement") is made by and between City of San Antonio, acting by and through its San Antonio Water System, herein after called "Seller", and ARCHIE AND SARABETH McFADIN hereinafter collectively called "Buyer", and constitutes a contract for the purchase and sale of the described property, as follows:

1. Property. Subject to the terms and conditions of this Agreement, Seller agrees to convey to Buyer the two tracts of real property being an approximately 120.494 acre tract in Uvalde County, Texas described more particularly on Exhibit A-1 hereto (the "Watkins North Tract") and an approximately 255.784 acre tract in Uvalde County, Texas described more particularly on Exhibit A-2 hereto (the "Watkins South Tract"), the Watkins North Tract and the Watkins South Tract being collectively the "Property", together with all improvements and fixtures thereon (including the Pivots (hereinafter defined)) and all rights and appurtenance thereto.

a. Water Rights that Run with the Property. The Property will be conveyed with the right to withdraw 242,547 acre-feet of Edwards Aquifer base irrigation groundwater (the "Base Irrigation Groundwater") per annum under and pursuant to the terms of Edwards Aquifer Authority ("EAA") Regular Permit No. #P101-818 (UV00487)(the "Permit"). Seller makes no representations or warranties as to the amount of water used or available for use during the calendar year in which Closing occurs. Buyer shall be solely responsible for determining by meter reading or otherwise the amount of Edwards Aquifer base irrigation groundwater available pursuant to the terms of the Permit on the date of Closing, and shall be solely responsible for all fees, fines and penalties, if any, which may arise related to allowable production of groundwater under the Permit for the year in which Closing occurs. Without warranty by Seller, EAA staff has stated to Seller that the EAA considers 98.564 acre feet of the Base Irrigation Groundwater appurtenant to the Watkins North Tract and 143.983 acre feet of the Base Irrigation Groundwater appurtenant to the Watkins South Tract.

b. Seller Reservation of Water Rights. Seller has previously transferred 386,552 acre feet per annum of unrestricted irrigation groundwater rights under the Permit (or predecessor permits) to points of withdrawal located outside the Property (the "Reserved Water Rights"). The Reserved Water Rights include 71,503 acre-feet of unrestricted irrigation water rights that were converted from base withdrawal rights. For an avoidance of doubt, in connection with the Reserved Water Rights, Seller, in the Deed Without Warranty to be executed by Seller at the Closing (hereinafter defined), shall reserve unto itself, its successors and assigns, the Reserved Water Rights and all groundwater and groundwater estate related in any way to the Reserved Water Rights. Seller further reserves unto itself the following personal property rights and incorporeal hereditaments associated with such Reserved Water Rights reservation: (a) applications, licenses, allotments and permits; (b) rights associated with the ownership of the wells located on the Property from June 1, 1972 through May 31, 1993, and the beneficial use of Edwards Aquifer water withdrawn from such wells from June 1, 1972, through May 31, 1993; and (c) rights derived from the filing of a Declaration of Historical Use of underground water withdrawn from the well located on the Property from June 1, 1972, through May 31, 1993. Notwithstanding the above, the Reserved Water Rights do not include the Base Irrigation Groundwater that must run with the land as described in Section 1(a) above and do not impose any obligation or duty on Seller to operate, maintain, repair, construct, reconstruct, plug or cap the wells located on the Property from and after Closing.
c. **Pivot Systems.** The Property includes two (2) Valley 7000 Series Pivot Irrigation Systems located on the Watkins South Tract and one (1) Valley 7000 Series Pivot Irrigation System located on the Watkins North Tract (collectively, the “Pivots”).

2. **Consideration.** The consideration for the conveyance shall be as follows:

a. **Purchase Price.** The total purchase price ("Purchase Price") for the Property shall be ONE MILLION SEVENTY TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($1,072,500.00). The Purchase Price, for purposes of allocation for accounting and Seller’s brokerage commission agreement, as between the Watkins North Tract and Watkins South Tract represents $400,000.00 for the Watkins North Tract and $672,500.00 for the Watkins South Tract.

b. **Earnest Money.** Buyer shall deposit TWENTY THOUSAND AND NO/100 DOLLARS ($20,000.00) with Alamo Title Company, Attn: Chris Varley, Senior Vice President, 18618 Tuscany Stone, Suite 240, San Antonio, TX 78258, San Antonio, Texas 78257 ("Title Company"), as earnest money ("Earnest Money"). The Earnest Money shall be credited toward the Purchase Price at closing if the conveyance of the Property is closed or otherwise held and disbursed in accordance with the terms and provisions hereof. Title Company shall, immediately following receipt, deposit the Earnest Money in an interest bearing account and maintain such account until the Earnest Money is disbursed in accordance herewith.

3. **Date of this Agreement.** The Date of this Agreement shall be the date when a fully executed copy of this Agreement together with Buyer’s deposit of the Earnest Money is delivered to the Title Company, as evidenced by the date inserted by Title Company beneath its signature of receipt.

4. **Title Insurance.** Buyer shall be responsible for obtaining any title insurance policy that Buyer wishes to purchase. As provided in Section 12, Buyer shall be responsible for all premium and endorsement costs for any title insurance policy that Buyer elects to obtain.

5. **Survey.** Seller has provided to Buyer copies of Seller’s existing surveys of the Property. Seller shall not be required to provide any new surveys of the Property, and the Property shall be conveyed according to the legal descriptions set forth in Exhibits A-1 and A-2 attached hereto.

6. **Property Information Documents.** Any documents provided by Seller concerning the Property shall be referred to as “Property Information Documents.” If the Property Information Documents include a Phase I environmental assessment, SAWS does not warrant whether it will qualify Buyer as an “innocent buyer” under CERCLA, 42 USC 9601 et seq. and the Texas Solid Waste Disposal Act, Texas Health and Safety Code Chapter 361 et seq., and Seller recommends that the Buyer conduct its own environmental assessment of the Property. Further, Seller does not represent or warrant that the Property Information Documents constitute all of the documents in Seller’s possession related to the Property. NOTWITHSTANDING ANYTHING IN THIS PARAGRAPH TO THE CONTRARY, BUYER ACKNOWLEDGES AND UNDERSTANDS THAT SOME OR ALL OF THE PROPERTY INFORMATION DOCUMENTS HAVE BEEN PREPARED BY PARTIES OTHER THAN SELLER. SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE QUALITY, COMPLETENESS, CONTENT OR ACCURACY OF THE DELIVERED MATERIALS.

7. **Inspections.** Until the Closing, the Buyer may conduct, at the Buyer’s sole cost, any inspections and environmental assessments on the Property that the Buyer may elect, subject to the indemnity and other provisions of this Section 7 of this Agreement. If an Environmental Professional (as
defined in 40 CFR Part 312.10(b)) desires to communicate with Seller, the communication must
be in writing and delivered to SAWS at the address stated in Section 13, below. The Buyer may
not conduct a Phase II environmental site assessment on the Property, or other invasive tests,
including boring and drilling, upon the Property, without SAWS’ prior written consent, a
condition of which shall be SAWS approval, in SAWS reasonable discretion, of Buyer’s plan for
conducting such Phase II environmental site assessment or other invasive tests on the Property.

BUYER SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF SAN
ANTONIO ("COSA"), THE SAN ANTONIO WATER SYSTEM AND THEIR
OFFICERS, EMPLOYEES, AGENTS, OFFICIALS AND FIDUCIARIES
(COLLECTIVELY THE “INDEMNIFIED PARTIES”) FROM ANY AND ALL
DAMAGES, CLAIMS AND LOSSES OF ANY NATURE, INCLUDING THOSE
ASSOCIATED WITH PROPERTY DAMAGE, PERSONAL INJURY, BODILY INJURY,
OR DEATH, ATTORNEY’S FEES AND COURT COSTS, ARISING FROM THE
PARTY’S OR THE PARTY’S AGENTS OR CONTRACTORS PRESENCE ON OR USE
OR INSPECTION OF THE PROPERTY (INCLUDING ANY ENVIRONMENTAL
ASSESSMENTS PERFORMED ON THE PROPERTY) OR THE CONDITION OF THE
PROPERTY. IT IS THE EXPRESS INTENT OF THE PARTIES HERETO THAT THIS
INDEMNITY SHALL APPLY TO AND PROTECT THE INDEMNIFIED PARTIES
FROM DAMAGES CAUSED BY THE INDEMNIFIED PARTIES’ SOLE AND/OR
CONCURRENT NEGLIGENCE AND/OR STRICT LIABILITY. THE PROVISIONS OF
THIS PARAGRAPH SHALL OVERRIDE AND CONTROL ANY CONTRARY
PROVISIONS IN THE TEXAS TORT CLAIMS ACT (TEXAS CIVIL PRACTICE AND
REMEDIES CODE CHAPTER 101). THIS SECTION 7 SHALL SURVIVE CLOSING OR
TERMINATION OF THIS AGREEMENT.

8. AS-IS. THE PROPERTY WILL BE CONVEYED IN ITS PRESENT “AS IS”
CONDITION. IF THE PURCHASE AGREEMENT CLOSES, BUYER ACCEPTS THE
PROPERTY IN ITS PRESENT CONDITION. AS A MATERIAL PART OF THE
CONSIDERATION FOR THE SALE OF THE PROPERTY, BUYER ACKNOWLEDGES
THAT IT IS NOT RELYING UPON THE ACCURACY OR COMPLETENESS OF ANY
REPRESENTATION, BROCHURE, RENDERING, PROMISE, STATEMENT OR
OTHER ASSERTION OR INFORMATION (INCLUDING THE PROPERTY
INFORMATION DOCUMENTS) WITH RESPECT TO THE PROPERTY MADE OR
FURNISHED BY OR ON BEHALF OF, OR OTHERWISE ATTRIBUTED TO, SELLER
OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES, ANY
AND ALL SUCH RELIANCE BEING HEREBY EXPRESSLY AND UNEQUIVOCALLY
DISCLAIMED, BUT IS RELYING SOLELY AND EXCLUSIVELY UPON ITS OWN
EXPERIENCE AND ITS INDEPENDENT JUDGMENT, EVALUATION AND
EXAMINATION OF THE PROPERTY. BUYER FURTHER UNEQUIVOCALLY
DISCLAIMS (I) THE EXISTENCE OF ANY DUTY TO DISCLOSE ON THE PART OF
SELLER OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR
REPRESENTATIVES AND (II) ANY RELIANCE BY BUYER ON THE SILENCE OR
ANY ALLEGED NONDISCLOSURE OF SELLER OR ANY OF ITS AGENTS,
EMPLOYEES, BROKERS OR REPRESENTATIVES, AND HEREBY RELEASES
SELLER AND ITS AGENTS, EMPLOYEES OR REPRESENTATIVES FROM ANY
CLAIM, DEMAND OR CAUSE OF ACTION BASED IN WHOLE OR IN PART UPON
ANY RELIANCE UPON ANY ALLEGED SILENCE, REPRESENTATION OR NON-
DISCLOSURE BY SELLER OR ANY OF ITS AGENTS, EMPLOYEES OR
REPRESENTATIVES. BUYER TAKES THE PROPERTY UNDER THE EXPRESS
UNDERSTANDING THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES,
BUYER EXPRESSLY WARRANTS AND REPRESENTS THAT NO PROMISE OR
AGREEMENT WHICH IS NOT HEREIN EXPRESSED HAS BEEN MADE TO IT AND HEREBY DISCLAIMS ANY RELIANCE UPON ANY SUCH ALLEGED PROMISE OR AGREEMENT. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. BUYER HAS AGREED TO DISCLAIM RELIANCE ON SELLER AND TO ACCEPT THE PROPERTY “AS-IS” WITH FULL AWARENESS THAT THE PROPERTY’S PRIOR USES OR OTHER MATTERS COULD AFFECT ITS CONDITION, VALUE, SUITABILITY OR FITNESS; AND BUYER CONFIRMS THAT BUYER IS HEREBY ASSUMING ALL RISK ASSOCIATED THEREWITH. BUYER UNDERSTANDS THAT THE DISCLAIMERS OF RELIANCE AND OTHER PROVISIONS CONTAINED HEREIN COULD LIMIT ANY LEGAL REcourse OR REMEDY BUYER OTHERWISE MIGHT HAVE. BUYER ACKNOWLEDGES THAT IT HAS SOUGHT AND HAS RELIED UPON THE ADVICE OF ITS OWN LEGAL COUNSEL CONCERNING THIS PROVISION. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE CLOSING AND SHALL NOT MERGE, AND ARE ALSO INCLUDED IN THE DEED WITHOUT WARRANTY.

9. Conditions to Closing. This Agreement is subject to the approval of the Board of Trustees of the San Antonio Water System on or before the Closing Date (hereinafter defined). In the event that this Agreement is not approved by the Board of Trustees of the San Antonio Water System on or before the Closing Date, notwithstanding any provision herein to the contrary, this Agreement shall automatically terminate and the Earnest Money shall be returned to Buyer, and neither party shall have any further rights or duties hereunder other than those rights or duties that expressly survive termination of this Agreement.

10. Closing. The conveyance of the Property to Buyer shall be closed ("Closing") at the office of the Title Company on May 15, 2015 (the "Closing Date"), or such earlier date as the parties may agree to, provided all conditions to closing have been satisfied.

11. Closing Documents. The following documents shall be delivered at Closing:

   a. Deed. Seller and Buyer shall execute and acknowledge a deed without warranty conveying title to the Property to Buyer, substantially in the form of Exhibit “B” attached hereto (the “Deed”);

   b. FEA Transfer Application. Seller and Buyer shall execute and acknowledge, as necessary, an Application to Transfer and Amend Regular Permit and/or Notice of Transfer of Ownership forms to transfer the Base Irrigation Groundwater to Buyer (the “Transfer Documents”).

   c. Bill of Sale. Seller and Buyer shall execute a No-Warranty Bill of Sale to transfer Seller’s right, title and interest to the Pivots to the Buyer, substantially in the form of Exhibit “C” attached hereto (the “Bill of Sale”).

   d. Tax Certificates. Seller shall deliver, at Seller’s expense, tax certificates showing there are no delinquent taxes levied or assessed against the Property as of Closing.

   d. Settlement Statements. Buyer and Seller shall execute customary settlement statements reflecting the Purchase Price, closing costs, prorations, credits and Commissions under this Agreement.
12. **Closing Costs and Prorations.** Closing costs and prorations shall be allocated as follows:

a. **Taxes.** Seller is a tax-exempt entity. Buyer agrees that it shall be solely responsible for all ad valorem real property taxes assessed against the Property for periods from and after the Closing Date. If this sale Buyer’s use of the Property after Closing results in the assessment of additional taxes, penalties or interest, including without limitation “rollback taxes” (the “Assessments”) for periods prior to Closing, the Assessments will be the obligation of the Buyer. Buyer, to the extent permitted by law, shall indemnify, defend and hold Seller harmless from and against any loss, cost, cause of action or claim related to the Assessments and all ad valorem real property taxes assessed against the Property for periods from and after the Closing Date. All provisions and obligations of this section shall survive Closing.

b. **Title Insurance Premiums.** Buyer shall pay all costs for any title insurance policy Buyer elects to obtain.

c. **Fees.** Any escrow fee charged by Title Company shall be divided equally between Seller and Buyer. Buyer shall pay the recording and/or filing fees for the Deed and the Transfer Documents. Each party will pay its own attorney’s fees.

13. **Notices.** Any notice to be given hereunder shall be given by placing the notice or designation in the United States mail, certified or registered, properly stamped and addressed to the address shown below or such other address as the respective party may direct in writing to the other, or by personal delivery to such address by a party, or by a delivery service which documents delivery, and such notice or designation shall be deemed to be received upon such placing in the mails or such delivery:

**Seller:**
San Antonio Water System  
Attn: Manager, Corporate Real Estate  
2800 US 281 North, 5th Floor, Tower I, Suite 526  
San Antonio, Texas 78212

With a copy to:  
San Antonio Water System  
Attn: Mark E. Brewton, Corporate Counsel  
2800 US 281 North, 6th Floor Tower I  
San Antonio, Texas 78212

**Buyer:**  
Archie and Sarabeth McFadin  
P.O. Box 66  
Uvalde, TX  78802-0066

14. **Default.** In the event that Seller should fail to perform its obligations herein, except due to Buyer’s default or the failure of Buyer to satisfy any of the conditions to Seller’s obligations set forth herein, Buyer may, as its sole and exclusive remedy, terminate this Agreement, in which event, provided Buyer is not in default, the Earnest Money shall be forthwith returned to Buyer following Seller’s receipt of notice of such termination whereupon neither party shall have any obligations hereunder other than those obligations in this Agreement that expressly survive termination. In no event shall any damages, rights or remedies be collectible, enforceable or available to Buyer other than as provided in this paragraph. In no event shall any trustee, officer, employee, agent or broker of Buyer shall be liable, in any manner whatsoever, for any act, omission or obligation of Buyer or its agents.
In the event Buyer should fail to close upon the purchase of the Property as required under this Agreement, Seller shall be entitled to terminate this Agreement and receive the Earnest Money whereupon neither party shall have any obligations hereunder other than those obligations in this Agreement that expressly survive termination, such sum being agreed upon as liquidated damages for the failure of Buyer to close as required by the terms and provisions of this Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages. These provisions shall not be deemed to limit Seller’s remedies for indemnification or other Buyer obligations under this Agreement, and Seller retains all remedies at law or in equity in the event Buyer should fail to comply with the terms of this Agreement. In the event that Seller is entitled to receive the Earnest Money under this Section 14, and Buyer fails to cooperate with the release of the Earnest Money to Seller, Seller shall be entitled to recovery from Buyer of Seller’s attorneys’ fees in any suit to receive the Earnest Money.

15. **Real Estate Commission.** If and only if the sale from Seller to Buyer closes pursuant to this Agreement, SAWS will pay at Closing a six percent (6%) brokerage fee (the “Commission”) to Cano & Company ("Seller’s Broker") pursuant to a separate written agreement. If Buyer has engaged a broker (“Buyer’s Broker”) via written brokerage agreement, Seller’s Broker has agreed via such separate written agreement to share the Commission equally with Buyer’s Broker. To further memorialize such Commission splitting, Seller’s Broker and Buyer’s Broker shall execute the Broker’s Addendum attached hereto. The Buyer represents and warrants that no broker other than Buyer’s Broker as identified in the Broker’s Addendum represents Buyer and Buyer hereby agrees to defend, indemnify and hold harmless Seller for any claims for a brokerage fee or commission resulting from this transaction. The Buyer’s obligation to indemnify under this Section 15 shall survive Closing.

16. **Entire Agreement.** This Agreement contains all agreements between the parties regarding the Property, and no agreement not contained herein shall be recognized by the parties.

17. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

18. **Assignability.** Buyer shall have no right to assign this Agreement or any of its rights hereunder to any person or entity without the prior written consent of Seller, which consent may be given or withheld in Seller’s sole and absolute discretion.

19. **Time of Essence.** Time is of the essence of this Agreement.

20. **Legal Holidays.** Notwithstanding anything herein to the contrary, if the final date of any period, any date of performance or any deadline date which is set forth in this Agreement falls on a Saturday, Sunday or federal legal holiday, then such date shall be extended to the next following date which is not a Saturday, Sunday or federal legal holiday.

21. **Counterparts.** This Agreement may be executed in one (1) or more counterparts, each of which when taken together shall constitute but one and the same Agreement.

22. **Sale under Local Government Code Section 253.014.** Seller and Buyer acknowledge and agree that the transaction contemplated in this Agreement is being conducted under Texas Local Government Code Section 253.014.
23. **Disclosures.**

a. **Notice Regarding Title.** THE TEXAS REAL ESTATE LICENSE ACT REQUIRES A REAL ESTATE AGENT TO ADVISE A BUYER THAT BUYER SHOULD HAVE AN ATTORNEY EXAMINE AN ABSTRACT OF TITLE TO THE PROPERTY BEING PURCHASED; OR A TITLE INSURANCE POLICY SHOULD BE OBTAINED. NOTICE TO THAT EFFECT IS HEREBY GIVEN TO BIDDER.

b. **Notice Regarding Possible Liability for Additional Taxes (Texas Property Code-Section 5.010).** If for the current ad valorem tax year the taxable value of the Property that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the Property at less than its market value, the person to whom the Property is transferred may not be allowed to qualify the Property for that special appraisal in a subsequent tax year and the Property may then be appraised at its full market value. In addition, the transfer of the Property or a subsequent change in the use of the Property may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the Property. The taxable value of the Property and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the Property is located.

c. **Annexation Disclosures.** If the Property that is the subject of this Agreement is located outside the limits of a municipality, the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

d. **Utility District.** Buyer agrees that if the Property is situated in any utility district, Buyer will sign and acknowledge at or prior to the Closing, a statutory notice as required under Section 50.301 of the Texas Water Code.

e. **Notice of Water and Sewer Service.** To SAWS knowledge, the Property is not located in any particular water or sewer service area or served by any particular utility service provider. There may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to the Property. You are advised to contact the applicable utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to the Property.

(SIGNATURE PAGE FOLLOWS)
EXECUTED by Seller on 3-26-2015.

Seller:

CITY OF SAN ANTONIO, ACTING BY AND THROUGH THE SAN ANTONIO WATER SYSTEM

BY: Nancy Bill
Nancy Belinsky
Vice President and General Counsel

EXECUTED by Buyer on 3-13-2015.

Buyer:

Archie McFadin
Sarabeth McFadin
RECEIPT OF CONTRACT & EARNEST MONEY

Alamo Title Company ("Title Company") acknowledges receipt of $20,000.00 as Earnest Money under the foregoing Purchase Agreement. Title Company will promptly deposit the Earnest Money in an interest bearing account and hold the Earnest Money in escrow in accordance with the terms of the Purchase Agreement. The undersigned will promptly notify the parties if these instructions are for any reason not carried out.

Alamo Title Company

By: [Signature]

Date: 3/27/15

GF#: 4002001897
BROKER'S ADDENDUM
TO PURCHASE AGREEMENT
Watkins North and South Farms

Cano & Company ("Seller's Broker") will receive a 6% commission (the "Commission") of the Purchase Price at Closing, if and only if Closing occurs, pursuant to a separate written agreement between Seller and Seller's Broker.

If Seller's Broker receives the Commission, Seller's Broker shall, at Closing, split the Commission on a 50/50 basis with Chad Forster Jr. ("Buyer's Broker"), such that Buyer's Broker shall receive from Seller's Broker an amount equal to 3% of the Purchase Price.

Buyer's Broker agrees to look solely to Seller's Broker for a share of the Commission, and releases and agrees to hold harmless Seller for any claim for a brokerage commission or fee.

Cano & Company

By: 

Printed Name: Alfonso Cano

Title: President

Chad Forster Jr.
License No. 524871
EXHIBIT A-1

THE STATE OF TEXAS  PREPARED FOR: San Antonio Water Systems
COUNTY OF UVALDE

FIELD NOTES TO DESCRIBE

A survey of 120.494 acres of land situated about 4.5 miles N 46° W of Uvalde in
Uvalde County, Texas, being 27.903 acres out of Survey No. 575, Abstract No.
762, G.C. & S.F. RR Co, original Grantee, and 92.591 acres out of Survey No. 580,
Abstract No. 1030, N.L. Strutton, original Grantee, being that same property
called 124.39 acres and described as Tract 1 in a deed to FW Ranchlands L.P.
from Jeffery L. Hart, Trustee, dated July 30, 1997, as recorded in Volume 382 on
Page 768 of the Official Public Records of Uvalde County, Texas, and being more
particularly described by metes and bounds as follows:

BEGINNING:
At a 7/8" iron pin with 2 ⅜" aluminum cap found by a 6" diameter cedar corner post on the recognized Southeast line of
said Survey No. 580 for the recognized Northeast corner of said Survey No. 575 and the recognized lower Northwest corner of
Survey No. 581, Abstract No. 769, G.C. & S.F. RR Co., original Grantee, the lower Southwest corner of that certain 163.326
acre tract of land described as Tract No. One in a deed to Lawrence Wilde, et ux from W. P. Sights, Sr., et ux., dated
January 15, 1974, as recorded in Volume 192 on Page 647 of the Deed Records of Uvalde County, Texas, the lower Northwest
corner of that certain 648.9968 acre tract of land described in a deed to FW Ranchlands L.P. from John A. Cardwell, Trustee,
dated June 30, 1997, as recorded in Volume 382 on Page 772 of the aforementioned Official Public Records, and an angle point
of this survey;

THENCE:
Along the recognized Northeast line of said Survey No. 575, the
recognized lower Southwest line of said Survey No. 581, and a
middle Southwest line of said 648.9968 acre tract of land, S 19-
41-06 E 798.69 feet to a 6" diameter cedar corner post in con-
crete for an angle point and leaving fence, S 19-38-36 E 205.77
feet to a 5/8" iron pin set by a cedar post for the Northeast
corner of that certain 6.316 acre tract of land described in a
deed to Charles R. Butler, et ux from Gaylon C. Trees, et ux.,
dated May 26, 1981, as recorded in Volume 234 on Page 815
of the aforementioned Deed Records, and the upper Southeast
corner of this survey;

THENCE:
In part along a fence and the Northeast line of said 6.316 acre
tract of land, N 68-38-38 W at 165.38 feet pass 5 feet Southw-
est of a 6" diameter creosote corner post, leaving fence and con-
tinuing a total distance of 755.78 feet to a ¾" iron pin found by
a 12" diameter creosote corner post for the Northwest corner
of said 6.316 acre tract of land and an interior corner of this
survey;

THENCE:
Along fence and the West line of said 6.316 acre tract of land,
S 19-31-17 E 660.05 feet to a ¾" iron pin found by corner post
on the Northeast R.O.W. line of State Highway 55 for the South-
west corner of said 6.316 acre tract of land and the lower
Southeast corner of this survey;

THENCE:
Along fence and the Northeast R.O.W. line of said State Highway
55, N 68-52-36 W 1812.75 feet to a 4" x 4" concrete R.O.W.
marker (leaning) found for the point-of-curvature of a curve
to the right;

THENCE:
Along fence and the Northeast R.O.W. line of said F.M. Highway
55 and along the arc of said curve to the right having a radius
of 4525.22 feet, a central angle of 10°22'38", a tangent of
410.92 feet, and a chord which bears N 63-38-59 W 818.29
feet, a distance of 819.59 feet to a 5/8" iron pin set by a 12"
diameter cedar corner post for the Southeast corner of that
certain 5.226 acre tract of land described as Tract No. Three in
the aforementioned deed to Lawrence Wilde, et ux, and the
Southwest corner of this survey;
SAWS (120.494 Acres) - Page 2

THENCE: Along fence and the Northeast line of said 5.226 acre tract of land, N 19-47-43 W 1060.26 feet to a 2" diameter corner post in concrete on the upper Southeast line of said 163.326 acre tract of land for the North corner of said 5.226 acre tract of land, and the West corner of this survey;

THENCE: Along fence and the upper Southeast line of said 163.326 acre tract of land, N 70-05-23 E 2506.65 feet to a 5/8" iron pin set by a 10" diameter creosote corner post for an interior corner of said 163.326 acre tract of land and the North corner of this survey;

THENCE: Along fence and the southernmost Southwest line of said 163.326 acre tract of land, S 19-56-45 E 1675.55 feet to the POINT OF BEGINNING.

The bearings are relative to the bearings for the 648.9968 acre tract of land, this day surveyed.

I certify that the foregoing field note description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this the 14th day of April, 2000.

[Signature]

Charles W. Rothe
Registered Professional Surveyor No. 2453
1705 Avenue K, P. O. Box 426
Hondo, Texas 78861
Ph. (830) 426-3005
FAX (830) 426-8160
Exhibit A-2

THE STATE OF TEXAS  PREPARED FOR: San Antonio Water Systems
COUNTY OF UVALDE

FIELD NOTES TO DESCRIBE

A survey of 255.784 acres of land situated about 4.5 miles N 46° W of Uvalde in Uvalde County, Texas, being 228.363 acres out of Survey No. 575, Abstract No. 762, G.C. & S.F. RR. Co., original Grantee, and 27.421 acres out of Survey No. 580, Abstract No. 1030, N. L. Stratton, original Grantee, being that same property called 255.737 acres and described as Tract II in a deed to FW Rauhland L.P., from Jeffery L. Hart, Trustee, dated July 30, 1997, as recorded in Volume 382 on Page 768 of the Official Public Records of Uvalde County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING: At a 5/8" iron pin set by an 8" diameter cedar corner post at the East end of a cutback line connecting the East R.O.W. line of F.M. Highway 1403 and the Southwest R.O.W. line of State Highway 55 for the upper Northeast corner of this survey;

THENCE: Along fence and the Southwest R.O.W. line of said State Highway 55, S 51-49-22 E 617.23 feet to a 5/8" iron pin set for the point-of-curvature of a curve to the left;

THENCE: Leaving fence and along the Southwest R.O.W. line of said State Highway 55 and along the arc of said curve to the left having a radius of 4643.56 feet, a central angle of 17°13'00", a tangent of 702.96 feet, and a chord which bears S 60-25-37 E 1390.09 feet, a distance of 1395.33 feet to a 5/8" iron pin set in fence for the point-of-tangency of said curve;

THENCE: Along fence and the Southwest R.O.W. line of said State Highway 55, S 69-02-07 E 1468.44 feet to a 5/8" iron pin found by a 6" diameter cedar corner post for an exterior corner of this survey;

THENCE: Leaving the Southwest R.O.W. line of said State Highway 55, and along fence, S 07-46-39 W 263.64 feet to a 5/8" iron pin set by a 6" diameter cedar corner post for an interior corner of this survey;

THENCE: Along fence, S 75-47-22 E 120.67 feet to a 5/8" iron pin found by a 4" diameter cedar corner post for an interior corner of this survey;

THENCE: Along fence, N 14-22-24 E 51.27 feet to a 5/8" iron pin found by a 4" diameter cedar corner post for an interior corner of this survey;

THENCE: Along fence, S 79-06-07 E 37.39 feet to a 5/8" iron pin found by a 4" diameter cedar corner post for an interior corner of this survey;

THENCE: Along fence, N 16-27-41 E 184.49 feet to a 5/8" iron pin found by a 4" diameter cedar corner post in a curve to the right on the Southwest R.O.W. line of said State Highway 55 for an exterior corner of this survey;

THENCE: Generally along fence, the Southwest R.O.W. line of said State Highway 55, and along the arc of said curve to the right having a radius of 5670.31 feet, a central angle of 11°24'06", a tangent of 566.06 feet, and a chord which bears S 62-04-33 E 1126.52 feet, at 635.55 feet pass 1.79 feet right of a found 6" diameter round concrete U.S.G.S. marker stamped "H248-1925", continuing a total distance of 1126.52 feet to a 5/8" iron pin found by corner post at the point-of-intersection with the recognized Northeast line of said Survey No. 575, the recognized middle Southwest line of Survey No. 581, Abstract No. 769, G.C. & S.F. RR. Co., original Grantee, for the Northwest corner of that certain 11.515 acre tract of land described in a deed to Russell L. Herndon, et ux from Charlotte Ramsey Dabney Smylie, et al, dated December 9, 1970, as recorded in Volume 179 on Page 836 of the said Deed Records, and the lower
SAWS (255.784 Acres) · Page 2

Northeast corner of this survey;

THENCE: Along fence, the recognized Northeast line of said Survey No. 575, and the middle Southwest line of said Survey No. 581, S 19-57-48 E 1242.92 feet to a 5/8" iron pin found by a 3" diameter pipe corner post on the North line of that certain 46.230 acre tract of land described in a deed to Mrs. June E. Ramsey from Mrs. Katherine Schoepfer Meus, dated November 26, 1940, as recorded in Volume 95 on Page 444 of the said Deed Records, for the recognized East corner of said Survey No. 575, a recognized interior corner of said Survey No. 581, the South corner of said 11.515 acre tract of land, and the East corner of this survey;

THENCE: Along fence, the recognized Southeast line of said Survey No. 575, the recognized Northwest line of said Survey No. 581, and the North line of said 46.230 acre tract of land, S 65-08-05 W (base bearing) at 480.30 feet pass an 8" diameter creosote corner post for the recognized North corner of Survey No. 31, Abstract No. 577, Benjamin Power, original Grantee, a recognized lower Northwest corner of said Survey No. 581, the North corner of the Davenport & Vickery Addition, a subdivision as shown on a plat thereof recorded in New Flat Cabinet Slide 86A of the Plat Records of Uvalde County, Texas, continuing along fence and the Northwest line of said Davenport & Vickery Addition, a total distance of 3532.43 feet to a 3/4" iron pin found by an 8" diameter ceder corner post for the East corner of that certain 2.37 acre tract of land described in a deed to Leopoldo Aviles, Jr. from Ramona Aviles, et al., dated October 27, 1986, as recorded in Volume 273 on Page 399 of the said Deed Records, and the Northeast line of said 2.37 acre tract of land, N 20-06-47 W 613.89 feet to a 3/4" iron pin found by an 8" diameter ceder corner post on the Northeast R.O.W. line of said F.M. Highway 1403 for the North corner of said 2.37 acre tract of land and an angle point of this survey;

THENCE: Along fence and the Northeast R.O.W. line of said F.M. Highway 1403, N 19-57-29 W at 2927.03 feet pass the recognized Northwest line of said Survey No. 575 and the recognized lower Southwest line of said Survey No. 580, continuing a total distance of 4251.24 feet to a 6" diameter ceder post for an angle point;

THENCE: Along fence and the East R.O.W. line of said F.M. Highway 1403, N 08-49-46 E 228.63 feet to a 5/8" iron pin set by a 6" diameter ceder post for an angle point and N 38-10-00 E 39.48 feet to a 5/8" iron pin set by a 6" diameter ceder post at the West end of the aforementioned cutback line for the Northwest corner of this survey;

THENCE: Along fence and said cutback line, N 83-25-42 E 140.42 feet to the POINT OF BEGINNING.

The bearings are relative to the bearing along the Southeast line of this survey between a 5/8" iron pin found at the East corner and a 3/4" iron pin found at the South corner having a bearing and distance of S 65-08-05 W 3532.43 feet.

I certify that the foregoing field note description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this the 12th day of April 2006.
SAWS (255.784 Acres) - Page 3

Charles W. Rothe
Registered Professional Surveyor No. 2453
1705 Avenue K, P. O. Box 426
Hondo, Texas 78861
Ph. (830) 426-3003
FAX (830) 426-8160
EXHIBIT “B”

Form of Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSfers AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

STATE OF TEXAS §

COUNTY OF UVALDE §

DEED WITHOUT WARRANTY

Effective Date:

Grantor: City of San Antonio, acting by and through its San Antonio Water System

Grantor’s Mailing Address: P.O. Box 2449, San Antonio, Texas 78298-2449

Grantee:

Grantee’s Mailing Address:

Consideration: Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

Property (including any improvements or fixtures thereon): A 120.494 acre tract in Uvalde County, Texas described more particularly on Exhibit A-1 hereto and an approximately 255.784 acre tract in Uvalde County, Texas described more particularly on Exhibit A-2 hereto, together with the right to withdraw 242.547 acre-feet of Edwards Aquifer base irrigation groundwater per annum under and pursuant to the terms of Edwards Aquifer Authority Regular Permit No. P101-818 (UV00487).

Reservations from Conveyance: All unrestricted Edwards Aquifer water rights currently or previously associated with the Property. No unrestricted Edwards Aquifer water rights are being transferred or conveyed with the Property, including but not limited to 386,552 acre feet of unrestricted water under EAA Initial Regular Permit No. P101-818 (UV00487), which water rights have been transferred to points of withdrawal located outside the the “Reserved Water Rights”). The Reserved Water Rights include 71,503 acre-feet of unrestricted irrigation water rights that were converted from base withdrawal rights. More specifically, Grantor expressly reserves on behalf of the San Antonio Water System, and for the use, benefit and control of the San Antonio Water System and its successors and assigns, the Reserved Water Rights and all groundwater and groundwater estate relating to the Reserved Water Rights. Grantor further reserves unto on behalf of the San Antonio Water System, and for the use, benefit and control of the San Antonio Water System and its successors and assigns the following personal property rights and incorporeal hereditaments associated with such Reserved Water Rights reservation: (a) applications, licenses, allotments and permits; (b) rights associated with the ownership of the wells located on the Property from June 1, 1972 through May 31, 1993, and the beneficial use of Edwards Aquifer water withdrawn from such wells from June 1, 1972, through May 31, 1993; and (c) rights derived from the
filing of a Declaration of Historical Use of underground water withdrawn from the well located on the Property from June 1, 1972, through May 31, 1993. Notwithstanding the above, the Reserved Water Rights do not include the base irrigation groundwater that must run with the land as described hereinabove, and do not impose any obligation or duty on Grantor to operate, maintain, repair, construct, reconstruct, plug or cap the wells located on the Property from and after the Effective Date of this deed.

Exceptions to Conveyance: All visible and apparent easements, all applicable zoning, platting and other governmental ordinances, laws, rules and regulations, and all matters of record relating to the Property as shown in the Real Property Records of Uvalde County, Texas.

Grantor, for the Consideration, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, subject to Exceptions to Conveyance and Reservations from Conveyance, to have and to hold it to Grantee and Grantee's successors and assigns forever, but without warranty of title or any other warranty of any kind or nature, and without limitation on such disclaimer of warranties, including but not limited to any warranties under Section 5.023 of the Texas Property Code.

By accepting this deed, Grantee acknowledges that the PROPERTY IS BEING CONVEYED IN ITS PRESENT "AS IS" CONDITION AND GRANTEE ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION. GRANTEE ACKNOWLEDGES THAT IT IS NOT RELYING UPON THE ACCURACY OR COMPLETENESS OF ANY REPRESENTATION, BROCHURE, RENDERING, PROMISE, STATEMENT OR OTHER ASSERTION OR INFORMATION WITH RESPECT TO THE PROPERTY MADE OR FURNISHED BY OR ON BEHALF OF, OR OTHERWISE ATTRIBUTED TO, GRANTOR OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES, ANY AND ALL SUCH RELIANCE BEING HEREBY EXPRESSLY AND UNCONDITIONAL DISCLAIMED, BUT IS RELYING SOLELY AND EXCLUSIVELY UPON ITS OWN EXPERIENCE AND ITS INDEPENDENT JUDGMENT, EVALUATION AND EXAMINATION OF THE PROPERTY. GRANTEE FURTHER UNCONDITIONALLY DISCLAIMS (I) THE EXISTENCE OF ANY DUTY TO DISCLOSE ON THE PART OF GRANTOR OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES AND (II) ANY RELIANCE BY GRANTEE ON THE SILENCE OR ANY ALLEGED NONDISCLOSURE OF GRANTOR OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES. GRANTEE TAKES THE PROPERTY UNDER THE EXPRESS UNDERSTANDING THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES. GRANTEE EXPRESSLY WARRANTS AND REPRESENTS THAT NO PROMISE OR AGREEMENT WHICH IS NOT HEREIN EXPRESSED HAS BEEN MADE TO IT AND HEREBY DISCLAIMS ANY RELIANCE UPON ANY SUCH ALLEGED PROMISE OR AGREEMENT. GRANTEE HAS AGREED TO DISCLAIM RELIANCE ON GRANTOR AND TO ACCEPT THE PROPERTY "AS-IS" WITH FULL AWARENESS THAT THE PROPERTY'S PRIOR USES OR OTHER MATTERS COULD AFFECT ITS CONDITION, VALUE, SUITABILITY OR FITNESS; AND GRANTEE CONFIRMS THAT GRANTEE IS HEREBY ASSUMING ALL RISK ASSOCIATED THEREWIT. GRANTEE UNDERSTANDS THAT THE DISCLAIMERS OF RELIANCE AND OTHER PROVISIONS CONTAINED HEREin COULD LIMIT ANY LEGAL RECURSE OR REMEDY GRANTEE OTHERWISE MIGHT HAVE. GRANTEE ACKNOWLEDGES THAT IT HAS SOUGHT AND HAS RELIED UPON THE ADVICE OF ITS OWN LEGAL COUNSEL CONCERNING THIS PROVISION.

When the context requires, singular nouns and pronouns include the plural.

This conveyance is being made subject to ad valorem taxes for the year 2015 and all subsequent years, which are assumed by Grantee. Any "rollback" taxes assessed against the Property are hereby assumed by Grantee.
GRANTOR:
CITY OF SAN ANTONIO, ACTING BY AND THROUGH ITS SAN ANTONIO WATER SYSTEM:

By: ____________________________
Printed Name: Nancy Belinsky
Title: Vice President and General Counsel

STATE OF TEXAS $§
COUNTY OF BEXAR $§

This instrument was acknowledged before me on this ________ day of _______________________
by Nancy Belinsky, Vice President and General Counsel of the San Antonio Water System.

[Seal]

Notary Public, State of Texas

B-3
UNITED STATES OF AMERICA

STATE OF TEXAS

COUNTY OF

This instrument was acknowledged before me on this ______ day of ______________
by ____________________________________.

[Seal]

Notary Public, State of Texas

After recording, return to:
EXHIBIT “C”

FORM OF NO WARRANTY BILL OF SALE

Effective Date:

Seller: City of San Antonio, acting by and through its San Antonio Water System

Seller’s Mailing Address: P.O. Box 2449, San Antonio, Texas 78298-2449

Purchaser: 

Purchaser’s Mailing Address:

Real Property (including improvements): An approximately 120.494 acre tract in Uvalde County, Texas described more particularly on Exhibit A-1 hereto (the “Watkins North Tract”) and an approximately 255.784 acre tract in Uvalde County, Texas described more particularly on Exhibit A-2 hereto (the “Watkins South Tract”)

Transferred Properties: Two (2) Valley 7000 Series Pivot Irrigation Systems located on the Watkins South Tract and one (1) Valley 7000 Series Pivot Irrigation System located on the Watkins North Tract

Consideration: $10.00 and other valuable consideration, the receipt of which is hereby acknowledged.

Seller is conveying the Real Property to Purchaser by deed without warranty. As part of this transaction, Seller desires to transfer its right, title and interest to the Transferred Properties to Purchaser.

For the Consideration, Seller transfers to Purchaser, without warranty of any kind, its right, title and interest to the Transferred Properties.

SELLER HAS MADE NO AFFIRMATION OF FACT OR PROMISE RELATING TO THE TRANSFERRED PROPERTIES THAT HAS BECOME ANY BASIS OF THIS BARGAIN, AND FURTHER, SELLER HAS MADE NO AFFIRMATION OF FACT OR PROMISE RELATING TO THE TRANSFERRED PROPERTIES THAT WOULD CONFORM TO ANY SUCH AFFIRMATION OR PROMISE. SELLER DISCLAIMS ANY WARRANTY OF TITLE TO THE TRANSFERRED PROPERTIES OR WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE WHATSOEVER WITH RESPECT TO THE TRANSFERRED PROPERTIES. THE TRANSFERRED PROPERTIES ARE SOLD ON AN “AS IS” BASIS.

When the context requires, singular nouns and pronouns include the plural.

Signatures on following page
ARCHIE OR SARABETH MCFADIN
P.O. BOX 66
UVALDE, TX 78802

PAY TO THE ORDER OF:  Alamo Title Company

$20,000.00

Twenty Thousand and 00/100

DOLLARS

Alamo Title Company
Attn: Chris Varley
18618 Tuscany Stone, Ste 240
San Antonio, TX 78258

MEMO
Earnest Money - N and S Watkins/SAWS

Sarabeth McFadin

Alamo Title Company
3/16/2015
19021
20,000.00

Checking
Earnest Money - N and S Watkins/SAWS
20,000.00
TO: San Antonio Water System Board of Trustees

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

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

SUBJECT: ACCEPTING THE OFFER AND APPROVING THE PURCHASE AGREEMENT WITH JOSE A. JIMENEZ AND SANDRA V. JIMENEZ FOR THE SALE OF 335 AZUCENA, SAN ANTONIO, BEXAR COUNTY, TEXAS

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the offer of $85,000.00 and approves the Purchase Agreement from Jose A. Jimenez and Sandra V. Jimenez for real property being a lot and residence thereon located at 335 Azucena located in San Antonio, Bexar County, Texas (the “Property).

- In late summer 2011, complaints of sewer odors on Azucena Street were reported to San Antonio Water System (SAWS). A SAWS investigation concluded that a pipe in poor condition required replacement which culminated in the decision to reroute the current sewer line and decommission the entire sewer line including the portion running under the home at 335 Azucena.

- Plans for grouting of the existing sewer line included possible partial demolition of the house or excavation under the home in order to correctly grout the siphon box, resulting in the decision to purchase the Property and relocate the current owners. SAWS purchased the property in May 2012 with authorization from SAWS Board Resolution 12-263.

- The construction of the new sewer line and the decommissioning of the old sewer line were known as the Azucena Street 30 Inch Sewer Project. The project has been completed.

- SAWS’ Board declared the Property surplus by Board Resolution No. 13-224, which was approved on August 13, 2013.

- On August 21, 2014, by Ordinance No. 2014-08-21-0598, the City Council of San Antonio authorized SAWS to sell the Property according to the requirements of Texas Local Government Code Section 253.014 which authorizes SAWS to contract with a real estate broker to market real property owned by the municipality and to sell the property pursuant to the highest offer.

- Authorization to use Section 253.014 of the Texas Local Government Code was approved by the SAWS Board of Trustees on February 10, 2014, Resolution 14-034.
The property was appraised by Eckmann Groll, Inc. as of November 21, 2011 for an opinion of value of $84,000.00. SAWS’ real estate broker, Cano and Company, negotiated directly with buyers and SAWS staff for the sale of the property.

The highest offer for the purchase of the property was in the amount of $85,000.00 from Jose A. Jimenez. Sandra Jimenez was added to the Purchase Agreement by amendment.

The purchase agreement requires SAWS to replace the HVAC, appliances, and hot water heater which were stolen shortly after SAWS took ownership of the property. The total cost to replace and install these items is $13,375.00 which will be deducted from the sales proceeds at closing.

SAWS’ Brokerage Agreement No. S-14-019-DB with Cano and Company authorizes SAWS to pay a commission of six percent (6%) of the sales price to Cano and Company for its real estate services under the contract associated with the sale of this property, which shall be shared equally with the buyer’s broker, Ridge Gate Realty.

This resolution authorizes SAWS to pay, pursuant to the Purchase Agreement, closing costs not to exceed $5,000.00.

Staff recommends that the Board approve this Resolution.

FINANCIAL IMPACT:
The expenditure of closing costs will be deducted from the sales proceeds at closing.

Bruce A. Haby
Manager, Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

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

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES, ACCEPTING THE OFFER IN THE AMOUNT OF $85,000.00 AND APPROVING THE PURCHASE AGREEMENT WITH JOSE A. JIMENEZ AND SANDRA V. JIMENEZ FOR THE SALE OF 335 AZUCENA LOCATED IN SAN ANTONIO, BEXAR COUNTY, TEXAS; APPROVING THE SIX PERCENT COMMISSION TO BE PAID TO CANO AND COMPANY AT CLOSING AND PAYMENT OF UP TO $5,000.00 IN CLOSING COSTS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System met the requirements of City Ordinance No. 75686 and declared the Property surplus by Resolution No. 13-2-24, approved on August 13, 2013; and

WHEREAS, the City Ordinance No. 2014-08-21-0598, approved on August 21, 2014, declared the property surplus and authorized the System to sell the property according to the Texas Local Government Code Section 253.014; and

WHEREAS, authorization to use Section 253.014 of the Texas Local Government Code was approved by the System’s Board of Trustees on February 10, 2014, Resolution 14-034; and

WHEREAS, pursuant to Local Government Code Chapter 253.014, Cano and Company has marketed the property and completed negotiations with the Buyer and the System, and the highest offer in the amount of $85,000.00 was received by the System from Jose A. Jimenez; and

WHEREAS, the System’s Brokerage Agreement No. S-14-019-DB with Cano and Company authorizes the System to pay a commission of six percent (6%) of the sales price to Cano and Company for its real estate services under the contract, which commission will be shared equally with the buyers’ broker, Ridge Gate Realty; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the offer from Jose A. Jimenez in the amount of $85,000.00 and approve a Purchase Agreement with Jose A. Jimenez and Sandra V. Jimenez (added to the Purchase Agreement via amendment included in Attachment II) for the sale of the 335 Azucena located in San Antonio, Bexar County, Texas, (ii) approve the payment of a commission of six percent of the sales price to Cano and Company to be paid at closing, (iii) authorize payments of up to $5,000.00 in the aggregate for closing costs, payable to Alamo Title Insurance Company, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute all documents necessary to complete the sale of the Property, including contract amendments/extensions that do not modify the purchase price, and perform all the duties and obligations of the seller in said Purchase Agreement; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the offer from Jose A. Jimenez in the amount of $85,000.00 for the Property is hereby accepted and a Purchase Agreement with Jose A. Jimenez and Sandra V. Jimenez for the sale of the Property is hereby approved as attached hereto as Attachment II and incorporated herein for all purposes.

2. That a commission of six percent of the sales price be paid to Cano and Company at closing, which commission will be shared equally with the buyers’ broker, Ridge Gate Realty.

3. That payment of up to $5,000.00 in the aggregate for closing costs, payable to Alamo Title Insurance Company, is hereby authorized.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents, including contract amendments/extensions that do not materially modify the economic terms of the transaction, necessary to complete the sale of the Property and perform all duties of the Seller under said Purchase Agreement.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Patricia E. Merritt, Secretary

Attachments:
I  Area Map
II  Purchase Agreement
ATTACHMENT II

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)

NOTICE: Not For Use For Condominium Transactions

1. PARTIES: The parties to this contract are City of San Antonio by and through its San Antonio Water System (Seller) and Jose A. Jimenez (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. PROPERTY: The land, improvements and accessories are collectively referred to as the "Property".
   A. LAND: Lot 85 & 86 Block 9, NCB 8319, Villa Allende Addition, City of San Antonio, County of Bexar, Texas, known as 335 Azucena, San Antonio, Bexar County, Texas (address/zip code), or as described on attached exhibit.
   B. IMPROVEMENTS: The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following permanently installed and built-in items, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas, mounts and brackets for televisions and speakers, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softerner system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property owned by Seller and attached to the above described real property.
   C. ACCESSORIES: The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, artificial fireplace ogs, and controls for: (i) garage doors, (ii) entry gates, and (iii) other improvements and accessories.
   D. EXCLUSIONS: The following improvements and accessories will be retained by Seller and must be removed prior to delivery of possession:

3. SALES PRICE:
   A. Cash portion of Sales Price payable by Buyer at closing $1700.00
   B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) $83,300.00
   C. Sales Price (Sum of A and B) $85,000.00

4. FINANCING (Not for use with reverse mortgage financing): The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)
   ☑ A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of $83,300.00 (excluding any loan funding fee or mortgage insurance premium).
     (1) Property Approval: If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer within 21 days from the Effective Date.
     (2) Credit Approval: (Check one box only)
       ☑ (a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.
       ☐ (b) This contract is subject to Buyer being approved for financing and does not involve FHA or VA financing.
   ☐ B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.
   ☐ C. SELLER FINANCING: A promissory note from Buyer to Seller of $__________________, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

Initialed for identification by Buyer ___ and Seller ___ TREC NO. 20-12

TAR 1601
5. EARNEST MONEY: Upon execution of this contract by all parties, Buyer shall deposit $1,000.00 as earnest money with Alamo Title Company, Chris Varley, as escrow agent, at 13618 Tuscany Stone, Suite 240, San Antonio, TX 78258 (address). Buyer shall deposit additional earnest money of $ with escrow agent within __/___ days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY AND SURVEY:
   A. TITLE POLICY: Seller shall furnish to Buyer at ☑ Seller’s ☐ Buyer’s expense an owner policy of title insurance (Title Policy) issued by Alamo Title Company in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
   (1) Restrictive covenants common to the platted subdivision in which the Property is located.
   (2) The standard printed exception for standby fees, taxes and assessments.
   (3) Liens created as part of the financing described in Paragraph 4.
   (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
   (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
   (6) The standard printed exception as to marital rights.
   (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
   (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements: ☑(i) will not be amended or deleted from the title policy; ☐(ii) will be amended to read, “shortages in area” at the expense of ☑ Buyer ☐ Seller.

   B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer’s expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer’s address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If, due to factors beyond Seller’s control, the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

   C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer’s lender(s). (Check one box only)
   ☑(1) Within 10 days after the effective date of this contract, Seller shall furnish to Buyer and Title Company Seller’s existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller’s expense no later than 3 days prior to Closing Date. If the existing survey or affidavit is not acceptable to Title Company or Buyer’s lender(s), Buyer shall obtain a new survey at Seller’s Buyer’s expense no later than 3 days prior to Closing Date.
   ☐(2) Within _______ days after the effective date of this contract, Buyer shall obtain a new survey at Buyer’s expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
   ☑(3) Within _______ days after the effective date of this contract, Seller shall furnish a new survey to Buyer.

   D. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; disclosed in the Commitment other than items 6A(1) through (8) above; or which prohibit the following use or activity: residential

Buyer must object the earlier of (i) the Closing Date or (ii) 3 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer’s failure to object within the time allowed will constitute a waiver of Buyer’s right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender.

Initialed for Identification by Buyer □ and Seller □

TREC NO 20-12

TAR 1601
within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer’s selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer’s choice due to the time limitations on Buyer’s right to object.

(2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2A in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, or operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association’s lien on and the foreclosure of the Property.

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners’ association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners’ association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners’ association or the association’s agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners Association(s) should be used.

(3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver to Buyer the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to the final execution of this contract.

(4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.

(5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality’s extraterritorial jurisdiction or is likely to be located within a municipality’s extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

(6) PROPERTY LOCATED IN A CERTIFIED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a dedicated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certified area. If your property is located in a certified area, there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certified area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
(7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

(8) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code, requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter C of the Texas Property Code.

(9) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.

7. PROPERTY CONDITION:
   A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by Inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall provide the utility company with the notice required. If Seller fails to provide the utility company the notice required, the utility company will be liable for the Service Interruption and Service Restoration Costs and may charge Buyer for the costs of providing the utility company with the notice required. If Seller fails to provide the utility company the notice required and Buyer incurs any costs, such costs shall be borne by Seller. Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.
   B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice): (Check one box only)
   - (1) Buyer has received the Notice.
   - (2) Buyer has not received the Notice. Within ________ days after the effective date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer. (Check one box only)
   - (3) The Seller is not required to furnish the notice under the Texas Property Code.
   C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.
   D. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7D(1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any. (Check one box only)
   - (1) Buyer accepts the Property As Is. *See Addendum - Special Provisions
   - (2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: ____________________________

   (Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

F. COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days if necessary for Seller to complete the repairs and treatments.

G. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the
Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

H. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding $_____. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.

8. BROKERS’ FEES: All obligations of the parties for payment of brokers’ fees are contained in separate written agreements.

9. CLOSING:
   A. The closing of the sale will be on or before __May 15____, 2015, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
   B. At closing:
      (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
      (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
      (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents, and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
      (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.
      (5) If the Property is subject to a residential lease, Seller shall transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has received the security deposit and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

10. POSSESSION:
   A. Buyer's Possession: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted. At closing and funding according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.
   B. Leases:
      (1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer’s written consent.
      (2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TRCC rules prohibit licenses from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)

*See Addendum - Special Provisions

12. SETTLEMENT AND OTHER EXPENSES:
   A. The following expenses must be paid at or prior to closing:
      (1) Expenses payable by Seller (Seller's Expenses):
         (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
         (b) Seller shall also pay an amount not to exceed $_______ to be applied in the
following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI). VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. See Addendum-Special Provisions

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

18. ESCROW:
A. ESCROW: The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.

B. EXPENSES: At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties, (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.

C. DEMAND: Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of
the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money.

D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney’s fees; and (iv) all costs of suit.

E. NOTICES: Escrow agent’s notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

20. FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Buyer at: 2839 Woodlawn Ave.

To Seller at: 2800 Hwy. 281 North
San Antonio, TX 78212

Jose A. Jimenez

Telephone: (210) 799-6876 875-3995
Facsimile: ( )
E-mail: Sandrajimenez@hotmail.com

Telephone: (210) 233-2954
Facsimile: ( )
E-mail: sunny.burlew@saws.org

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (Check all applicable boxes):

☐ Third Party Financing Addendum for Credit Approval
☐ Seller Financing Addendum
☐ Addendum for Property Subject to Mandatory Membership in a Property Owners Association
☐ Buyer’s Temporary Residential Lease
☐ Loan Assumption Addendum
☐ Addendum for Sale of Other Property by Buyer
☐ Addendum for Reservation of Oil, Gas and Other Minerals
☐ Addendum for “Back-Up” Contract
☐ Addendum for Coastal Area Property
☐ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
☐ Seller’s Temporary Residential Lease
☐ Short Sale Addendum
☐ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
☐ Addendum for Seller’s Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law
☐ Addendum for Property in a Propane Gas System Service Area
☐ Other (list): Addendum-Special Provisions

Initialed for identification by Buyer JAS and Seller JAS

TREC NO. 20-12
TAR 1601
23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer’s agreement to pay Seller $100.00 (Option Fee) within 3 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 7 days after the effective date of this contract (Option Period). If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will not be credited to the Sales Price at closing. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

24. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate licensees from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: ____________________________

___________________________________________

Telephone: ( )

Facsimile: ( )

E-mail: ____________________________

Seller’s Attorney is: Mark Brewton - Corporate Counsel

San Antonio Water System

Telephone: (210) 233-3771

Facsimile: ( )

E-mail: Mark.Brewton@saws.org

EXECUTED the 18th day of March, 2015 (EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Joseph Jimenez

Buyer


Larry Bless

VP + General Counsel

Seller


The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (http://www.trec.texas.gov) TREC NO. 20-12. This form replaces TREC NO. 20-11.
Contract Concerning 335 AZUCENA ST San Antonio, TX 78237-1228
(Address of Property)

Ridge Gate Realty
Sandy Gass

Other Broker Firm: Cano and Company
License No.: 282357

BROKER INFORMATION
(Print name(s) only. Do not sign)

represents ☑ Buyer only as Buyer’s agent
☑ Seller as Listing Broker’s subagent

Name of Associate’s Licensee Supervisor: Telephone
Sandy Gonzalez 375-3422

Associate’s Name: Telephone
9258 Culebra Rd., Ste. 106 647-9959

Other Broker’s Address: Facsimile
San Antonio TX 78251

City State Zip
gosandy930@gmail.com
Associate’s Email Address

Alfonso Cano 210-731-6613
Name of Associate’s Licensed Supervisor: Telephone
Dennis Cano 210-591-9115
Listing Associate’s Name: Telephone
3463 Magic Dr., Suite T-10
Listing Broker’s Office Address: Facsimile
San Antonio TX 78229
City State Zip
dennis@canoandcompany.com
Listing Associate’s Email Address

Selling Associate’s Name: Telephone
Name of Selling Associate’s Licensed Supervisor: Telephone
Selling Associate’s Office Address: Facsimile
City State Zip
Selling Associate’s Email Address

Listing Broker has agreed to pay Other Broker 3% of the total sales price when the Listing Broker’s fee is received. Escrow agent is authorized and directed to pay other Broker from Listing Broker’s fee at closing.

OPTION FEE RECEIPT

Receipt of $100.00 (Option Fee) in the form of personal check is acknowledged.

Seller or Listing Broker: 3-18-15

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of ☑ Contract and $1,000.00 Earnest Money in the form of personal check is acknowledged.

Escrow Agent: Alamo Title Company - Chris Varley
Date: 3-18-15

By: Jennifer Stuart@alamotitle.com Chris.Varley@alamotitle.com
Email Address

18618 Tuscani Stone, Suite 240
Address

San Antonio TX 78258
City State Zip

Telephone (219) 490-1313
Facsimile: (219) 496-1313

TREC NO. 20-12
THIRD PARTY FINANCING ADDENDUM FOR CREDIT APPROVAL
(Not for use with Reverse Mortgage Financing)

TO CONTRACT CONCERNING THE PROPERTY AT
335 AZUCENA ST San Antonio, TX 78237-1228

(Street Address and City)

Buyer shall apply promptly for all financing described below and make every reasonable effort to obtain credit approval for the financing (Credit Approval). Buyer shall furnish all information and documents required by lender for Credit Approval. Credit Approval will be deemed to have been obtained when (1) the terms of the loan(s) described below are available and (2) lender determines that Buyer has satisfied all of lender's requirements related to Buyer's assets, income and credit history. If Buyer cannot obtain Credit Approval, Buyer may give written notice to Seller within 21 days after the effective date of this contract and this contract will terminate and the earnest money will be refunded to Buyer. If Buyer does not give such notice within the time required, this contract will no longer be subject to Credit Approval. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

NOTE: Credit Approval does not include approval of lender's underwriting requirements for the Property, as specified in Paragraph 4.A.(1) of the contract.

Each note must be secured by vendor's and deed of trust liens.

CHECK APPLICABLE BOXES:

☑ A. CONVENTIONAL FINANCING:

☑ (1) A first mortgage loan in the principal amount of $83,300.00 (excluding any financed PMI premium), due in full in 30 year(s), with interest not to exceed 4.5% per annum for the first 30 year(s) of the loan with Adjusted Origination Charges as shown on Buyer's Good Faith Estimate for the loan not to exceed 2% of the loan.

☐ (2) A second mortgage loan in the principal amount of $________________ (excluding any financed PMI premium), due in full in ______ year(s), with interest not to exceed ______% per annum for the first ______ year(s) of the loan with Adjusted Origination Charges as shown on Buyer's Good Faith Estimate for the loan not to exceed ______% of the loan.

☐ B. TEXAS VETERANS LOAN: A loan(s) from the Texas Veterans Land Board of $________________ for a period in the total amount of ______ years at the interest rate established by the Texas Veterans Land Board.

☐ C. FHA INSURED FINANCING: A Section 203(b) FHA insured loan of not less than $________________ (excluding any financed MIP), amortizable monthly for not less than ______ years, with interest not to exceed ______% per annum for the first ______ year(s) of the loan with Adjusted Origination Charges as shown on Buyer's Good Faith Estimate for the loan not to exceed ______% of the loan. As required by HUD-FHA, if FHA valuation is unknown, "It is expressly agreed that, notwithstanding any other provision of this contract, the purchaser (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser (Buyer) has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than $________________. The purchaser (Buyer) shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the

Initialed for identification by Buyer ___________ and Seller ___________
Third Party Financing Condition Addendum Concerning

335 AZUCENA ST San Antonio, TX 78237-1228
(Address of Property)

maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the Property. The purchaser (Buyer) should satisfy himself/herself that the price and the condition of the Property are acceptable."

D. VA GUARANTEED FINANCING: A VA guaranteed loan of not less than $________________ (excluding any financed Funding Fee), amortizable monthly for not less than _______ years, with interest not to exceed _______% per annum for the first ______ year(s) of the loan with Adjusted Origination Charges as shown on Buyer’s Good Faith Estimate for the loan not to exceed _______% of the loan.

VA NOTICE TO BUYER: "It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the Property described herein, if the contract purchase price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs. The Buyer shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs."

If Buyer elects to complete the purchase at an amount in excess of the reasonable value established by VA, Buyer shall pay such excess amount in cash from a source which Buyer agrees to disclose to the VA and which Buyer represents will not be from borrowed funds except as approved by VA. If VA reasonable value of the Property is less than the Sales Price, Seller may reduce the Sales Price to an amount equal to the VA reasonable value and the sale will be closed at the lower Sales Price with proportionate adjustments to the down payment and the loan amount.

E. USDA GUARANTEED FINANCING: A USDA-guaranteed loan of not less than $________________ (excluding any financed Funding Fee), amortizable monthly for not less than _______ years, with interest not to exceed _______% per annum for the first ______ year(s) of the loan with Adjusted Origination Charges as shown on Buyer’s Good Faith Estimate for the loan not to exceed _______% of the loan.

Buyer hereby authorizes any lender to furnish to the Seller or Buyer or their representatives information relating only to the status of Credit Approval of Buyer.

Jose A Simionesi
Buyer

[Signature]

Suzanne W
c
Seller VP & General Counsel

Buyer

Seller

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (http://www.trec.texas.gov) TREC No. 40-6. This form replaces TREC No. 40-5.
Addendum – Special Provisions
To TREC Residential Contract for 335 Azucena, San Antonio, Texas

This Addendum – Special Provision ("Addendum") is an addendum to that certain TREC One to Four Family Residential Contract (Resale) (the “Contract”) by and between the City of San Antonio by and through the San Antonio Water System (“Seller”) and Jose A. Jimenez (“Buyer”) concerning the property located at 335 Azucena, San Antonio, Bexar County, Texas and as such shall be a part of and included in the Contract. In the event of any conflict between this Addendum and the Contract, this Addendum shall control.

All capitalized terms herein, unless otherwise defined, have the meaning as set forth in the Contract.

1. **Post-Closing Appliance Installation.** Within three (3) business days following closing, Seller shall cause to be installed the following appliances at the Property (the following being collectively the “Appliances”):
   a. Air conditioning/heating unit: 2 to 3 ton central unit to be selected by Seller
   b. White Frigidaire top-mount 21 cu/ft refrigerator FFTR2126L
   c. White Frigidaire 30” electric freestanding range stove FFEF3011L
   d. Broan stainless steel 30” range hood
   e. Water Heater: 30 gallon electric standard water heater to be selected by Seller

Buyer shall bear all risk of damage or loss following installation of the Appliances.

**SELLER DISCLAIMS ANY WARRANTY OF TITLE TO THE APPLIANCES OR WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE WHATSOEVER WITH RESPECT TO THE APPLIANCES. THE APPLIANCES ARE BEING INSTALLED ON AN “AS IS” BASIS.**

2. **As Is Condition.** THE PROPERTY WILL BE CONVEYED IN ITS PRESENT “AS IS” CONDITION. IF THE CONTRACT CLOSES, BUYER ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION. AS A MATERIAL PART OF THE CONSIDERATION FOR THE SALE OF THE PROPERTY, BUYER ACKNOWLEDGES THAT IT IS NOT RELYING UPON THE ACCURACY OR COMPLETENESS OF ANY REPRESENTATION, BROCHURE, RENDERING, PROMISE, STATEMENT OR OTHER ASSERTION OR INFORMATION (INCLUDING THE PROPERTY INFORMATION DOCUMENTS) WITH RESPECT TO THE PROPERTY MADE OR FURNISHED BY OR ON BEHALF OF, OR OTHERWISE ATTRIBUTED TO, SELLER OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES, ANY AND ALL SUCH RELIANCE BEING HEREBY EXPRESSLY AND UNEQUIVOCALLY DISCLAIMED, BUT IS RELYING SOLELY AND EXCLUSIVELY UPON ITS OWN EXPERIENCE AND ITS INDEPENDENT JUDGMENT, EVALUATION AND EXAMINATION OF THE PROPERTY. BUYER FURTHER UNEQUIVOCALLY DISCLAIMS (I) THE EXISTENCE OF ANY DUTY TO DISCLOSE ON THE PART OF SELLER OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES AND (II) ANY RELIANCE BY BUYER ON THE SILENCE OR ANY ALLEGED NONDISCLOSURE OF SELLER OR ANY OF ITS AGENTS, EMPLOYEES, BROKERS OR REPRESENTATIVES, AND HEREBY RELEASES SELLER AND ITS AGENTS, EMPLOYEES OR REPRESENTATIVES FROM ANY CLAIM, DEMAND OR CAUSE OF ACTION BASED IN WHOLE OR IN PART UPON ANY RELIANCE UPON ANY ALLEGED SILENCE, REPRESENTATION OR NON-DISCLOSURE BY SELLER OR ANY OF ITS AGENTS, EMPLOYEES OR REPRESENTATIVES. BUYER TAKES THE PROPERTY UNDER THE EXPRESS UNDERSTANDING THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES. BUYER EXPRESSLY WAITS AND REPRESENTS THAT NO PROMISE OR AGREEMENT WHICH IS NOT HEREIN EXPRESSED HAS BEEN MADE TO IT AND HEREBY DISCLAIMS ANY RELIANCE UPON ANY SUCH ALLEGED PROMISE OR AGREEMENT. THIS AGREEMENT CONSTITUTES
THE ENTIRE AGREEMENT BETWEEN THE PARTIES. BUYER HAS AGREED TO DISCLAIM RELIANCE ON SELLER AND TO ACCEPT THE PROPERTY “AS-IS” WITH FULL AWARENESS THAT THE PROPERTY’S PRIOR USES OR OTHER MATTERS COULD AFFECT ITS CONDITION, VALUE, SUITABILITY OR FITNESS; AND BUYER CONFIRMS THAT BUYER IS HEREBY ASSUMING ALL RISK ASSOCIATED THEREWITH. BUYER UNDERSTANDS THAT THE DISCLAIMERS OF RELIANCE AND OTHER PROVISIONS CONTAINED HEREIN COULD LIMIT ANY LEGAL RECOURSE OR REMEDY BUYER OTHERWISE MIGHT HAVE. BUYER ACKNOWLEDGES THAT IT HAS SOUGHT AND HAS RELIED UPON THE ADVICE OF ITS OWN LEGAL COUNSEL CONCERNING THIS PROVISION. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE CLOSING AND SHALL NOT MERGE, AND SHALL ALSO BE INCLUDED IN THE DEED WITHOUT WARRANTY.

3. Conditions to Closing. This Contract is subject to the approval of the Board of Trustees of the San Antonio Water System on or before the Closing Date. In the event that this Contract is not approved by the Board of Trustees of the San Antonio Water System on or before the Closing Date, notwithstanding any provision herein to the contrary, this Contract shall automatically terminate and the Earnest Money shall be returned to Buyer, and neither party shall have any further rights or duties hereunder other than those rights or duties that expressly survive termination of this Contract.

4. Prorations. Seller is a tax-exempt entity. Buyer agrees that it shall be solely responsible for all ad valorem real property taxes assessed against the Property for periods from and after the Closing Date. If this sale Buyer’s use of the Property after Closing results in the assessment of additional taxes, penalties or interest, including without limitation “rollback taxes” (the “Assessments”) for periods prior to closing, the Assessments will be the obligation of the Buyer. Buyer, to the extent permitted by law, shall indemnify, defend and hold Seller harmless from and against any loss, cost, cause of action or claim related to the Assessments and all ad valorem real property taxes assessed against the Property for periods from and after the Closing Date. All provisions and obligations of this section shall survive closing.

5. Attorneys’ Fees. The provisions of Section 17 of the Contract providing for recovery of attorneys’ fees and costs for the prevailing party in litigation may only be enforced against Seller in the event that Seller’s Board of Trustee has approved a budget that expressly provides for such attorneys’ fees and costs.

EXECUTED to be effective as of the Effective Date of the Contract.

Seller:
CITY OF SAN ANTONIO, ACTING BY AND THROUGH THE SAN ANTONIO WATER SYSTEM

BY: Nancy Belinsky
Vice President and General Counsel

Buyer:
Jose A. Jimenez

2
AMENDMENT
TO CONTRACT CONCERNING THE PROPERTY AT

335 AZUCENA ST San Antonio, TX 78237-1228
(Street Address and City)

Seller and Buyer amend the contract as follows: (check each applicable box)

☐ (1) The Sales Price in Paragraph 3 of the contract is:
   A. Cash portion of Sales Price payable by Buyer at closing $ __________
   B. Sum of financing described in the contract $ __________
   C. Sales Price (Sum of A and B) $ __________

☐ (2) In addition to any repairs and treatments otherwise required by the contract, Seller, at Seller’s expense, shall complete the following repairs and treatments:

☐ (3) The date in Paragraph 9 of the contract is changed to __________, 20____.

☐ (4) The amount in Paragraph 12A(1)(b) of the contract is changed to $ __________.

☐ (5) The cost of lender required repairs and treatment, as itemized on the attached list, will be paid as follows: $ __________ by Seller; $ __________ by Buyer.

☐ (6) Buyer has paid Seller an additional Option Fee of $ __________ for an extension of the unrestricted right to terminate the contract on or before __________, 20____. This additional Option Fee ☐ will ☐ will not be credited to the Sales Price.

☐ (7) Buyer waives the unrestricted right to terminate the contract for which the Option Fee was paid.

☐ (8) The date for Buyer to give written notice to Seller that Buyer cannot obtain Credit Approval as set forth in the Third Party Financing Condition Addendum for Credit Approval is changed to __________, 20____.

☐ (9) Other Modifications: (Insert only factual statements and business details applicable to this sale.)
Sandra V. Jimenez is hereby added as a Buyer to the Contract.

EXECUTED the __ day of April ________, 2015. (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Jose A. Jimenez
Buyer

Sandra V. Jimenez
Buyer

City of San Antonio by and through its San Antonio Water System

By: Nancy Belinsky, Vice President and General Counsel

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (http://www.trec.texas.gov) TREC No. 39-7. This form replaces TREC No. 39-6.
TO: San Antonio Water System Board of Trustees
FROM: Bruce A. Haby, Manager, Corporate Real Estate and Nancy Belinsky, Vice President and General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AUTHORIZATION TO PURCHASE A PERMANENT ACCESS AND WATER LINE EASEMENT FOR MCALLISTER PARK ODOR CONTROL STATION RELOCATION PROJECT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of a permanent access and water easement (the “Easements”) containing approximately 0.7747 acres in the aggregate for the McAllister Park Odor Control Station Relocation Project (the “Project”). It also authorizes the expenditure of $81,390.00 for the easements.

- The Project was identified due to the need to relocate the temporary odor control station at the McAllister Park. The temporary odor control station at the City of San Antonio (the “City”) McAllister Park is comprised of a chemical storage tank and feed pumps on a trailer. The City expressed to San Antonio Water System (SAWS) that they do not want to continue to accommodate the temporary facilities, as the original agreement was that this site was to be temporary until SAWS secured a permanent site to meet its needs.

- The Project will relocate the temporary odor control station at the McAllister Park by constructing a new, permanent odor control station in accordance with applicable local, state and federal regulations.

- The Project will include the construction of a new slab, installation of chemical tank and dosing pumps, eye wash station, extension of water service, Supervisory Control and Data Acquisition (SCADA) monitoring capabilities, and other equipment and appurtenances to ensure a fully operational station. The station will allow for the injection of chemical to the sewer main to minimize odors within the collection system in the immediate service area.

- SAWS requires the acquisition of a 0.759 acre permanent access and a 0.159 acre water easement located near Henderson Pass, between US HWY 281 North and Gold Canyon Road, Bexar County, Texas for the construction of the Project and access to the new odor control station.

- The property on which the Easement is located is owned by Arbor Riocan, LP, a Delaware limited partnership (the “Owner”).
• SAWS initial offer of $76,390.00 was based on an appraisal dated May 27, 2014. SAWS and the Owner have agreed on the purchase amount of $81,390.00 for the Easements.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The design for this project was initially budgeted in the 2014 Wastewater Core Business, Collection Facilities category, McAllister Park Odor Control Station Relocation line item. The funding for the acquisition of the Easements will come from the 2015 CIP budget.

The total amount is $81,390.00 for the acquisition of the Easements.

Bruce A. Haby
Manager, Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
I Project Area Map
II Project Site Map
McALLISTER PARK ODOR CONTROL STATION RELOCATION PROJECT
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM (THE "SYSTEM") BOARD OF TRUSTEES APPROVING THE ACQUISITION OF A PERMANENT ACCESS EASEMENT AND PERMANENT WATER EASEMENT FROM ARBOR RIOCAN, LP, A DELAWARE LIMITED PARTNERSHIP, AFFECTING APPROXIMATELY 0.759 ACRES FOR THE PERMANENT ACCESS EASEMENT AND 0.0157 ACRES FOR THE PERMANENT WATER EASEMENT, LOCATED NEAR HENDERSON PASS, BETWEEN US HWY 281 NORTH AND GOLD CANYON ROAD, IN THE NORTH CENTRAL QUADRANT OF BEXAR COUNTY, TEXAS, (THE "EASEMENTS"), IN CONNECTION WITH THE MCALLISTER PARK ODOR CONTROL STATION RELOCATION PROJECT IN A TOTAL AMOUNT NOT TO EXCEED $81,390.00; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System has determined that acquisition of the Easements, being more particularly described and depicted in Attachment I, attached hereto and incorporated herein for all purposes, is necessary for the McAllister Park Odor Control Station Relocation Project; and

WHEREAS, the property on which the Easements are located is owned by Arbor Riocan, LP, a Delaware limited partnership (together with any other party shown on a title search as owning a fee simple interest in said property, the “Owner”); and

WHEREAS, the Owner has agreed to grant the Easements to the System for the sum of $81,390.00; and

WHEREAS, funds in the amount not to exceed $81,390.00 are available in the Project Fund for the purchase of the Easement; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the acquisition of the Easements for the McAllister Park Odor Control Station Relocation Project as herein described, and (ii) authorize the expenditure of funds in an amount not to exceed $81,390.00 for the acquisition of the Easement; now, therefore:

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

1. That the acquisition of the Easements, in substantially the form attached as Attachment I, for the McAllister Park Odor Control Station Relocation Project, is hereby approved.
2. That the expenditure from the Project Fund in the 2015 Capital Improvement Project budget in a total amount not to exceed $81,390.00 for the acquisition of the Easements is hereby approved made available and is to be expended from the Project Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the acquisition of the Easements and to pay an amount not to exceed $81,390.00 to the Owner for the acquisition of the Easements.

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

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

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Secretary

Attachment:
1 Permanent Easement Agreements
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

PERMANENT EASEMENT – WATER

STATE OF TEXAS §
COUNTY OF BEXAR §

KNOW ALL MEN BY THESE PRESENTS

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

Being a 0.0157 of an acre (683 sq. ft.) tract of land, more or less, out of the Juan Escamilla Survey No. 91 ½, abstract No. 217, N. C. B. 17474, Bexar County, Texas, and out of Lot 41, Block 4 of the Arbor Park Subdivision, recorded in Volume 9536, Page 131 of the Deed and Plat Records of Bexar County, Texas, and conveyed to Arbor Dunhill, Ltd. in Special Warranty Deed, recorded October 18, 2012, in Volume 15751, Page 1292 of the Official Public Records of Bexar County, Texas, and being more particularly described and depicted in Exhibit "A" attached hereto and made a part hereof (the “Easement Area”);

For the purpose of using said Easement Area only for the construction, reconstruction, realignment, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of the water lines, facilities and appurtenances to be placed within the above described permanent Easement Area. The Grantee expressly agrees that it will remove from said land all surplus material and will, except for the presence of any at-grade and above ground facilities and appurtenances constructed by Grantee for such easement purposes, cause said land to be left as nearly as possible in the condition as it existed prior to the construction of said improvements. Grantee agrees to maintain and operate its facilities located in the Easement Area in a manner consistent with other similarly situated water utilities, provided, however, the foregoing shall not be deemed to constitute a duty to operate or prevent Grantee from abandoning
underground facilities in place.

Together with the right of ingress and egress over said Easement Area and the right to remove from said Easement Area all trees and parts thereof, or other obstructions, which may interfere with the exercise of the rights granted hereunder; and the right of exercise of all other rights hereby granted; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that no building or structure of any kind will be placed on said Easement Area that would interfere in any material respect with the easement rights granted herein and that removal of any building or structure placed on said Easement Area shall be at Grantor expense.

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

And Grantor does hereby bind itself and its legal representatives and successors to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject to all validly-existing easements, restrictions and reservations currently of public record and encumbering the Easement Area.

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

EXECUTED effective this _______ day of __________________, 2015.

Arbor RioCan LP, a Delaware limited partnership

By: Arbor RioCan GP LLC, a Delaware limited liability company, its General Partner

By: ______________________
Name: ____________________
Title: ______________________

STATE OF _____________ §
COUNTY OF _____________ §

This instrument was acknowledged before me on this _______ day of __________________, 2015, by ______________________, the ______________________, of Arbor RioCan GP LLC, a Delaware limited liability company and general partner of Arbor RioCan, LP, a Delaware limited partnership, on behalf of said limited partnership. .

_________________________
Notary Public
Consent, Joinder and Subordination by Lender

The undersigned, Deutsche Bank National Trust Company, as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2011-GC5, hereby joins in the execution of this water easement to evidence its consent and agreement to the terms and provisions hereof, and to confirm and agree that any and all liens held by the undersigned, whether by Deed of Trust, reservation in a deed, constitutional, contractual or otherwise, are subject and subordinate to the terms and provisions of this water easement, as the same may be amended or modified from time-to-time with the consent of the undersigned, its successor or assign as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2011-GC5. Without limiting the preceding general statement, it is agreed that the following liens are hereby subordinated to the terms of this Easement: Deed of Trust, Assignment of Rents and Leases, Collateral Assignment of Property Agreements, Security Agreement and Fixture Filing recorded June 7, 2011 in Book 14992, Page 2316 of the Official Public Records of Real Property of Bexar County, Texas (the “Official Records”), as assigned by instrument recorded June 7, 2011 in Book 14992, Page 2348 of the Official Records, as further assigned by instrument recorded September 10, 2012 in Book 15685, Page 1060 of the Official Records; UCC Financing Statement recorded October 18, 2012 under Document No. 20120204989 of the Official Records. Notwithstanding anything to the contrary herein, Lender does not subordinate the lien of the Deed of Trust to any claims, damages, or indemnities against Grantor (as defined in the Easement) that arise from the terms of the Easement.

Signature on following page
DEUTSCHE BANK NATIONAL TRUST COMPANY, AS TRUSTEE, FOR THE REGISTERED HOLDERS OF GS MORTGAGE SECURITIES CORPORATION II, COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2011-GC5

By: Wells Fargo Bank, N.A., as authorized under that certain Pooling and Servicing Agreement dated as of October 1, 2011

By: ___________________________
Name: Tim Teague
Title: Director

STATE OF NORTH CAROLINA )
COUNTY OF MECKLENBURG )

On this ___ day of _______ 2015, personally appeared before me Tim Teague, as Director of WELLS FARGO BANK, NATIONAL ASSOCIATION, acting in its authorized capacity as Master Servicer for and on behalf of DEUTSCHE BANK NATIONAL TRUST COMPANY, AS TRUSTEE, FOR THE REGISTERED HOLDERS OF GS MORTGAGE SECURITIES CORPORATION II, COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2011-GC5, signer and sealer of the foregoing instrument and acknowledged the same to be his/her free act and deed and the free act and deed of said entities, before me. He/she is personally known to me or has produced a driver’s license as identification.

______________________________
Notary Public

My commission expires: __________________
EXHIBIT “A”

FIELD NOTES
for a 0.0157 of an Acre (683 SQ. FT.)
Water Easement

BEING A 0.0157 OF AN ACRE (683 SQ. FT.) TRACT OF LAND, MORE OR LESS, OUT OF THE JUAN ESCAMILLA SURVEY No. 91 1/2, ABSTRACT NO. 217, N.C.B. 17474, BEXAR COUNTY, TEXAS, AND OUT OF LOT 41, BLOCK 4 OF THE ARBOR PARK SUBDIVISION, RECORDED IN VOLUME 9536, PAGE 131 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS, AND CONVEYED TO ARBOR DUNHILL, LP. IN SPECIAL WARRANTY DEED, RECORDED OCTOBER 18, 2012, IN VOLUME 15751, PAGE 1292 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS; SAID 0.0157 OF AN ACRE (683 SQ. FT.) TRACT AS SHOWN ON THE ACCOMPANYING PARCEL PLAT, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a set ½” iron rod with a yellow plastic cap stamped BMB INC EASEMENT, in the east line of said Lot 41, Block 4 of the Arbor Park Subdivision and the east line of a 28 foot wide gas, electric, telephone and catv. easement shown on said plat of Arbor Park subdivision, and the west line of the Northwoods subdivision, recorded in Volume 9515, Page 186 of the Deed and Plat Records of Bexar County, Texas, for the east corner of the herein described tract, from said point a found iron rod for an angle point of said Northwood’s subdivision and for the east corner of said Lot 41, Block 4 of the Arbor Park Subdivision, bears N. 13°54’05” E., 82.07 feet;

(1) Thence S. 13°54’05” W., 14.82 feet, with the west line of said Northwoods subdivision and the east line of said Lot 41, Block 4 of the Arbor Park Subdivision and the east line of said 28 foot wide gas, electric, telephone and catv. easement, to a set ½” iron rod with a yellow plastic cap stamped BMB INC EASEMENT, for the south corner of the herein described tract;

(2) Thence N. 40°10’42” W., 41.45 feet, leaving the west line of said Northwoods subdivision and crossing said Lot 41, Block 4 of the Arbor Park Subdivision and said 28 foot wide gas, electric, telephone and catv. easement, to a chiseled “X” in concrete, for an angle point of the herein described tract;

(3) Thence N. 76°05’55” W., 16.00 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled “X” in concrete, for the west corner of the herein described tract;

(4) Thence N. 14°31’03” E., 12.00 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled “X” in concrete, for the north corner of the herein described tract;
(5) Thence S. 76°05'55" E., 19.76 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled “X” in concrete, for the northeast corner of the herein described tract;

(6) Thence S. 40°10'42" E., 36.65 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to the POINT OF BEGINNING and containing 0.0157 of an acre (683 Square Feet) of land, more or less.

Bearings based on NAD 83(93), Texas South Central Zone, Surface Coordinates, Scale Factor 1.00017.

All distances are surface.
A plat of even date herewith accompanies this metes and bounds description.

THE STATE OF TEXAS §

COUNTY OF BEXAR §

KNOW ALL MEN BY THESE PRESENTS:

That I, Victor Mendez, Jr., a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at San Antonio, Bexar County, Texas, this 14th day of February, 2014, A.D.

Bain Medina Bain, Inc.
7073 San Pedro Ave.
San Antonio, Texas 78216
210-494-7223

Victor Mendez, Jr.
Registered Professional Land Surveyor
No. 6056 – State of Texas
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

PERMANENT ACCESS EASEMENT

STATE OF TEXAS §
COUNTY OF BEXAR §

THAT, ARBOR RIOCAN LP, hereinafter referred to as "Grantor", whether one or more, for and in consideration in the amount of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to Grantor in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has given, granted, sold, conveyed, and dedicated, and by these presents, does give, grant, sell, convey, and dedicate unto the CITY OF SAN ANTONIO, a Municipal Corporation herein referred to as "Grantee" for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992, and subject to the terms and provisions of said ordinance, a perpetual, non-exclusive access easement for ingress, egress and access over, across, upon and through the lands located in Bexar County, Texas more particularly described and depicted on Exhibit A attached hereto and made a part hereof for all purposes (the “Access Easement Area”).

For the purpose of Grantee, its agents, employees, contactors, consultants, successors and assigns using said Access Easement Area only for ingress, egress and access in connection with the construction, reconstruction, realignment, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of improvements and appurtenances within any abutting easements, facilities and rights of way of Grantee, and Grantee, its agents, employees and contractors shall have the right to remove from Access Easement Area lands all trees and parts thereof, or other obstructions, which may interfere with the exercise of the rights granted hereunder; and the right of exercise of all other rights hereby granted; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that no building or other obstruction of any kind will be placed on said Access Easement Area which would interfere in any material respect with the easement herein granted.

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

And Grantor does hereby bind itself and its legal representatives to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the
same or any part thereof by through, or under Grantor, but not otherwise, subject to all validly-existing easements, restrictions and reservations currently of public record and encumbering the Easement Area.

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

EXECUTED effective this ______ day of ______________________, 2015.

Arbor RioCan LP, a Delaware limited partnership

By: Arbor RioCan GP LLC, a Delaware limited liability company, its General Partner

By: ____________________________

Name: __________________________

Title: __________________________

STATE OF _____________  §
COUNTY OF _____________  §

This instrument was acknowledged before me on this _______ day of ________________, 2015, by ____________________________, the __________________________, of Arbor RioCan GP LLC, a Delaware limited liability company and general partner of Arbor RioCan, LP, a Delaware limited partnership, on behalf of said limited partnership.

_________________________________
Notary Public
Consent, Joinder and Subordination by Lender

The undersigned, Deutsche Bank National Trust Company, as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2011-GC5, hereby joins in the execution of this access easement to evidence its consent and agreement to the terms and provisions hereof, and to confirm and agree that any and all liens held by the undersigned, whether by Deed of Trust, reservation in a deed, constitutional, contractual or otherwise, are subject and subordinate to the terms and provisions of this access easement, as the same may be amended or modified from time-to-time with the consent of the undersigned, its successor or assign as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2011-GC5. Without limiting the preceding general statement, it is agreed that the following liens are hereby subordinated to the terms of this Easement: Deed of Trust, Assignment of Rents and Leases, Collateral Assignment of Property Agreements, Security Agreement and Fixture Filing recorded June 7, 2011 in Book 14992, Page 2316 of the Official Public Records of Real Property of Bexar County, Texas (the “Official Records”), as assigned by instrument recorded June 7, 2011 in Book 14992, Page 2348 of the Official Records, as further assigned by instrument recorded September 10, 2012 in Book 15685, Page 1060 of the Official Records; UCC Financing Statement recorded October 18, 2012 under Document No. 20120204989 of the Official Records. Notwithstanding anything to the contrary herein, Lender does not subordinate the lien of the Deed of Trust to any claims, damages, or indemnities against Grantor (as defined in the Easement) that arise from the terms of the Easement.

Signature on following page
DEUTSCHE BANK NATIONAL TRUST COMPANY, AS TRUSTEE, FOR THE REGISTERED HOLDERS OF GS MORTGAGE SECURITIES CORPORATION II, COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2011-GC5

By: Wells Fargo Bank, N.A., as authorized under that certain Pooling and Servicing Agreement dated as of October 1, 2011

By: ___________________________
Name: Tim Teague
Title: Director

STATE OF NORTH CAROLINA )
COUNTY OF MECKLENBURG )

On this ____ day of _________ 2015, personally appeared before me Tim Teague, as Director of WELLS FARGO BANK, NATIONAL ASSOCIATION, acting in its authorized capacity as Master Servicer for and on behalf of DEUTSCHE BANK NATIONAL TRUST COMPANY, AS TRUSTEE, FOR THE REGISTERED HOLDERS OF GS MORTGAGE SECURITIES CORPORATION II, COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2011-GC5, signer and sealer of the foregoing instrument and acknowledged the same to be his/her free act and deed and the free act and deed of said entities, before me. He/she is personally known to me or has produced a driver’s license as identification.

____________________________________
Notary Public

My commission expires: ___________________
EXHIBIT "A"

FIELD NOTES

for a 0.759 of an Acre (33,082 SQ. FT.)

Access Easement

BEING A 0.759 OF AN ACRE (33,082 SQ. FT.) TRACT OF LAND, MORE OR LESS, OUT OF THE JUAN ESCAMILLA SURVEY No. 91 1/2, ABSTRACT NO. 217, N.C.B. 17474, BEXAR COUNTY, TEXAS, AND OUT OF LOT 41, BLOCK 4 OF THE ARBOR PARK SUBDIVISION, RECORDED IN VOLUME 9536, PAGE 131 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS, AND CONVEYED TO ARBOR DUNHILL, L.P. IN SPECIAL WARRANTY DEED, RECORDED OCTOBER 18, 2012, IN VOLUME 15751, PAGE 1292 OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS; SAID 0.759 OF AN ACRE (33,082 SQ. FT.) TRACT AS SHOWN ON THE ACCOMPANYING PARCEL PLAT, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a set ½" iron rod with a yellow plastic cap stamped BMB INC EASEMENT, in the south Right of Way line of Henderson Pass (Right of Way varies) as recorded in Volume 9515, Page 186 of the Deed and Plat Records of Bexar County, Texas, for the northeast comer of said Lot 41, Block 4 of the Arbor Park Subdivision and the northwest comer of the Northwoods subdivision, recorded in Volume 9515, Page 186 of the Deed and Plat Records of Bexar County, Texas, for the northeast comer of the herein described tract;

(1) Thence S. 15°17'58" E., 297.38 feet, with the west line of said Northwoods subdivision and the east line of said Lot 41, Block 4 of the Arbor Park Subdivision, to a found iron rod, for the east comer of said Lot 41, Block 4 of the Arbor Park Subdivision and of the herein described tract;

(2) Thence S. 13°54'05" W., 419.29 feet, continuing with the west line of said Northwoods subdivision and the east line of said Lot 41, Block 4 of the Arbor Park Subdivision, to a set ½" iron rod with a yellow plastic cap stamped BMB INC EASEMENT, in the north line of a 20 foot wide alley shown on a plat of Oak Haven Heights, Unit 1, Volume 3850, Page 156 of the Deed and Plat Records of Bexar County, Texas, for the southeast comer of said Lot 41, Block 4 of the Arbor Park Subdivision and of the herein described tract;

(3) Thence S. 74°38'32" W., 100.00 feet, leaving the west line of said Northwoods subdivision, with the south line of said Lot 41, Block 4 of the Arbor Park Subdivision and the north line of said 20 foot wide alley, to a set ½" iron rod with a yellow plastic cap stamped BMB INC EASEMENT, for the southeast corner of a variable width sanitary sewer and drainage easement shown on said plat of Northwoods Subdivision and for the southwest comer of the herein described tract;
(4) Thence N. 15°21'28" W., 60.00 feet, leaving the north line of said 20 foot wide alley and crossing said Lot 41, Block 4 of the Arbor Park Subdivision, with the east line of said variable width sanitary sewer and drainage easement, to a chiseled "X" in concrete, for the west corner of the herein described tract;

(5) Thence N. 74°38'32" E., 9.80 feet, leaving the east line of said variable width sanitary sewer and drainage easement and crossing said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled "X" in concrete, for an angle point of the herein described tract;

(6) Thence N. 47°31'07" E., 46.07 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled "X" in concrete, for an angle point of the herein described tract;

(7) Thence N. 35°02'10" E., 145.63 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled "X" in concrete, for an angle point of the herein described tract;

(8) Thence N. 13°54'05" E., 218.76 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled "X" in concrete, for an angle point of the herein described tract;

(9) Thence N. 15°17'58" W., 234.14 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled "X" in concrete, for an angle point of the herein described tract;

(10) Thence N. 39°05'45" W., 37.18 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a chiseled "X" in concrete, for an angle point of the herein described tract;

(11) Thence N. 15°17'58" W., 32.57 feet, continuing across said Lot 41, Block 4 of the Arbor Park Subdivision, to a set ½" iron rod with a yellow plastic cap stamped BMB INC EASEMENT, in the north line of said Lot 41, Block 4 of the Arbor Park Subdivision and the south Right of Way line of said Henderson Pass, for a curve to the right at the northwest corner of the herein described tract;

(12) Thence an arc length of 50.06 feet, along said curve to the right, having a radius of 600.75 feet, a tangent of 25.05 feet, a delta of 04°46'29" and a chord bearing and distance of S. 77°14'16" W., 50.05 feet, along the north line of said Lot 41, Block 4 and the south Right of Way line of said Henderson Pass to the POINT OF BEGINNING and containing 0.759 of an acre (33,082 Square Feet) of land, more or less.
Bearings based on NAD 83(93), Texas South Central Zone, Surface Coordinates, Scale Factor 1.00017.

All distances are surface.
A plat of even date herewith accompanies this metes and bounds description.

THE STATE OF TEXAS §
COUNTY OF BEXAR §

KNOW ALL MEN BY THESE PRESENTS:

That I, Victor Mendez, Jr., a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at San Antonio, Bexar County, Texas, this 14th day of February, 2014, A.D

Bain Medina Bain, Inc.
7073 San Pedro Ave.
San Antonio, Texas 78216
210-494-7223

Victor Mendez, Jr.
Registered Professional Land Surveyor
No. 6056 – State of Texas
Revised: FEBRUARY 16, 2015

[Signature]
TO: San Antonio Water System Board of Trustees  
FROM: Bruce A. Haby, Manager, Corporate Real Estate and Nancy Belinsky, Vice President and General Counsel  
THROUGH: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: REQUESTING THE SAN ANTONIO CITY COUNCIL TO DECLARE THE SAN ANTONIO WATER SYSTEM’S W6: WESTERN WATERSHED RELIEF LINE – UPPER SEGMENT PROJECT A PUBLIC NECESSITY  

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached Resolution requests the San Antonio City Council to declare the San Antonio Water System’s (SAWS) W6: Western Watershed Relief Line – Upper Segment Project, (the “Project”) a Public Necessity to obtain for public use, the permanent sewer easements and temporary construction easements that are required for the Project’s construction and operation, and authorizes the General Counsel and/or designated Special Counsel to file eminent domain proceedings, if necessary.

- The Project that is the subject of the attached resolution will, if approved, authorize work that is required by Section V. B- Early Action Program of the Consent Decree between the System, the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This project was identified in the Comprehensive Wastewater Master Plan developed by the SAWS Master Planning Division. The current outfalls within this project area are in poor condition due to deterioration and lack of sufficient capacity to handle future sewer flows due to growth and during peak storm events.

- This project will consist of the replacement of approximately 4 miles of existing 54-inch main with 54-inch, 84-inch, and 90-inch sanitary sewer main and siphons from Highway 90 to S.W. Military Drive. The estimated construction cost for this project is $57,000,000.00.

- The Project will require the acquisition of real property being permanent sewer easements and temporary construction easements, being a total of 17 parcels.

- SAWS intends to use every effort available to obtain the required permanent and temporary easement land rights through good faith negotiations, but may require eminent domain if the negotiations fail.
• The general location and general route of the Project is set out in Attachment I and Attachment II to the Resolution, attached hereto and incorporated herein for all purposes.

• The requested Ordinance will be presented to the San Antonio City Council as soon as possible.

Staff recommends that the Board approve this Resolution.

**FINANCIAL IMPACT:**

The Project Fund will incur the acquisition costs and possible legal fees associated with the acquisition of the land rights necessary for this project. Funding for these land rights are found in the 2015 Capital Improvement Program, Wastewater Core Business, Collection R&R – Wastewater Category, W6: Western Watershed Sewer Relief Line – Upper Segment Project.

---

Bruce A. Haby
Manager, Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
I  Project Area Map
II  Project Site Map
W6 PROJECTS 5 & 6

Legend

★ PROJECT SITE
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

W6 PROJECTS 5 & 6

Legend
- PROJECT SITE LIMITS
RESOLUTION NO.


WHEREAS, the Project calls for design and installation of approximately 4 miles of new sewer mains located in southwest Bexar County; and

WHEREAS, the System has determined that acquisition of the Easements is necessary for the Project, the general location and general description of the Project being more particularly set out in Attachment I to this Resolution, and the route of the Project being depicted on Attachment II to this Resolution, both attached hereto and incorporated herein for all purposes; and
WHEREAS, the System intends to use every effort available to obtain the required Easements through good faith negotiations, but may require eminent domain if the negotiations fail; and

WHEREAS, the System finds that the acquisition of such Easements for the Project is necessary for the public health, safety, welfare, and best interests of the citizens of the City and the surrounding region; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) affirm and declare that the Project is for a public use and the acquisition of the Easements is for public use and is a public necessity for the completion of the Project, (ii) direct the System staff to negotiate the acquisition of the Easements, (iii) authorize and direct the institution and prosecution to conclusion of all necessary proceedings to condemn such Easements, in the event that the System’s staff is unable to acquire one or more parcels of the Easements by negotiation, (iv) request that the City Council adopt an ordinance to (a) reaffirm and declare that the Project is for a public use and the acquisition of the Easements is for public use and is a public necessity for the completion of the Project, (b) authorize the System to take all appropriate action to acquire the Easements by negotiation and/or condemnation, (c) declare that the conveyance of such Easements shall be to the City for the use and benefit of the System, and (d) authorize the City Manager, or designees, including the City Attorney, the System’s General Counsel and/or designated Special Counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary, and (v) provide and approve funding for the acquisition of the Easements; now therefore:

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

1. That the Project is hereby declared to be a necessary public project and a public necessity is hereby declared for the acquisition of the Easements for public use by negotiation and/or condemnation, if necessary, for the Project.

2. That a public necessity hereby exists to acquire the Easements over, under and across certain privately owned real property, by negotiation and/or condemnation, if necessary, for the expansion of the public sanitary sewer system as part of the Project.

3. That the System’s staff is hereby directed to negotiate with the owner(s) of the respective parcels for the acquisition of the Easements, to execute easements and/or sales agreements or other documents acquiring the Easements from the owners of the Easements and to finalize such acquisitions on behalf of the City, for the use and benefit of the System.

4. That in the event the System’s staff is unable to acquire one or more parcels of the Easements by negotiation by reason of its inability to agree with the owners thereof as to the value of the Easements, or is unable to acquire the Easements for any other reason, the City Manager, or designees, including the City Attorney, the System’s General Counsel and/or designated Special Counsel, are hereby authorized and directed to institute and prosecute to conclusion all necessary proceedings to condemn such Easements.
5. That the City Council of the City is hereby requested to (i) adopt an ordinance to reaffirm and declare that the Project is for a necessary public use and the acquisition of the Easements is for a public use and is a public necessity for the completion of the Project, (ii) authorize the System to take all appropriate action to acquire the Easements by negotiation and/or condemnation, (iii) declare that the conveyance of such Easements shall be to the City for the use, benefit and control of the System, and (iv) authorize the City Manager, or designees, including the City Attorney, the System’s General Counsel and/or designated Special Counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary.

6. That funding for the acquisition of the Easements is found in the 2015 Capital Improvement Program, Wastewater Core Business, Collection R&R – Wastewater Category, W6: Western Watershed Sewer Relief Line – Upper Segment Project.

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

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

9. This resolution becomes effective immediately upon its passage.

   PASSED AND APPROVED this 18th day of May, 2015.

   ________________________________
   Berto Guerra, Jr., Chairman

   ATTEST:

   ________________________________
   Patricia E. Merritt, Secretary

   Attachments:
   I  Description of general route and location of Project
   II  Depiction of Project route
Route Description

The Project will consist of replacement of approximately 4 miles of existing 54-inch main with 54-inch, 84-inch, and 90-inch sanitary sewer main and siphons beginning south of Highway 90, running along Leon Creek, adjacent to Lackland AFB, with a section of the main running through Lackland AFB. The project will follow Leon Creek and will terminate just south of S.W. Military Drive.

AFFECTING PROPERTY LOCATED IN:

New City Blocks: 13962, 13965, & 13975
W6 PROJECTS 5 & 6

Legend
- PROJECT SITE LIMITS
TO: San Antonio Water System Board of Trustees

FROM: Darren Thompson, Director, Water Resources, and Charles E. Ahrens, Vice President, Water Resources and Conservation

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

SUBJECT: AUTHORIZATION CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT TO APPROVE THE FIRST AMENDMENT OF LEASE OF GROUNDWATER – BEXAR METROPOLITAN WATER DISTRICT WITH LAGUNA WATER II, LTD

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution relates to both the San Antonio Water System (System) and the District Special Project (DSP). The resolution approves and authorizes execution of a lease amendment (Amendment) to the Lease of Groundwater between Bexar Metropolitan Water District (BexarMet) with Laguna Water II, Ltd. (Laguna), executed December 2, 2011, by the BexarMet Board of Directors.

- BexarMet and Laguna entered into one certain Lease of Groundwater effective December 2, 2011.

- The original Lease of Groundwater was 6,109.588 acre-feet of permitted Edwards Aquifer water for a term of 10 years beginning January 1, 2012 and expiring December 31, 2021.

- This Amendment expands the Lease of Groundwater to include additional water from two Edwards Aquifer permits, P101-686 (UV00435A) for 60.00 acre-feet, and P100-588 (BE00242) for 28.705 acre-feet, for a total of 88.705 acre-feet increasing the total from 6,109.588 to 6,198.293 acre-feet of permitted Edwards Aquifer water.

- Lease payments are currently made quarterly on January 1, April 1, July 1 and October 1.

- This Amendment will change the January 1 quarterly payment to be made on or before January 14 of each lease year. Subsequent quarterly payments will be made on April 1, July 1, and October 1 of each lease year.

- Lease payments for years 4 and 5 will increase by $10,201.08 yearly for a total of $20,402.15; lease payments for years 6 – 10 will increase by $12,418.70 yearly (if the option to terminate in year 5 is not exercised) for an increase of $62,093.50. The overall increase to lease payments for the duration of the lease term is $82,495.65. However, if the right to terminate is exercised, the overall increase will be $30,603.23.
Yearly lease payments for years 4 and 5 will increase from $702,602.62 to $712,803.69 and for years 6–10 from $855,342.32 to $867,761.02.

The bonus payment will increase by $5,100.54, for the increase of 88.705 acre-feet, from $351,301.31 to $356,401.84.

Money is available in the 2015 budget to support the increase in lease payments.

Water will be available for use in 2015.

- Will be effective upon Board approval and execution by the President/Chief Executive Officer or his duly appointed designee.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Amendment of Lease of Groundwater for the Edward Aquifer Authority (EAA) permitted groundwater withdrawal rights will result in an additional lease payment to Laguna for $10,201.08 in 2015 and an overall increase of lease payments of $82,495.65 for the term of the lease. Yearly lease payments for years 4 and 5 will increase from $702,602.62 to $712,803.69 and for years 6–10 from $855,342.32 to $867,761.02. The bonus payment will increase by $5,100.54 from $351,301.31 to $356,401.84. Additionally, the System will also be responsible for paying the associated Aquifer Management Fees (AMF) to the EAA for the term of the lease. AMF will be invoiced by the BAA on an annual basis. In 2015, AMF will be $84.00 per acre-foot. Future AMF will be determined by the EAA on an annual basis.

Payments for leases and all other necessary procedures will be paid from the 2015 budgeted System Funds (Company: 2000, Accounting Unit: 6008600, Account Code: 511261, Water Options and Payments). AMF will also be paid from the 2015 budgeted System Funds (Company: 2000, Accounting Unit: 6008600, Account Code: 511265).

Darren Thompson, Director
Water Resources

Charles E. Ahrens, Vice President
Water Resources and Conservation

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, CONCERNING BOTH THE SAN ANTONIO WATER SYSTEM AND THE DISTRICT SPECIAL PROJECT, TO APPROVE THE FIRST AMENDMENT OF LEASE OF GROUNDWATER BETWEEN THE SAN ANTONIO WATER SYSTEM AND LAGUNA WATER II, LTD. BY INCREASING THE LEASE OF EDWARDS AQUIFER GROUNDWATER THEREIN FROM 6,109.588 ACRE-FEET TO 6,198.293 ACRE-FEET; INCREASING THE LEASE PAYMENT AMOUNTS FOR YEARS 4 AND 5 FROM $702,602.62 TO $712,803.69 AND LEASE YEARS 6 – 10 FROM $855,342.32 TO $867,761.02, TOGETHER WITH A BONUS PAYMENT OF $5,100.54 FOR AN OVERALL TOTAL INCREASE OF $87,596.19; AMEND THE QUARTERLY PAYMENT SCHEDULE TO ON OR BEFORE JANUARY 14, APRIL 1, JULY 1, AND OCTOBER 1; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE FIRST AMENDMENT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s (the “System”) District Special Project (the “DSP”) was created by the City Council of the City of San Antonio on October 20, 2011, pursuant to Ordinance No. 2011-10-20-0845, and this action is related to, and consistent with, that Ordinance; and

WHEREAS, this action concerns both the System and DSP; and

WHEREAS, Bexar Metropolitan Water District (the “BexarMet”) and Laguna Water II, Ltd. (the “Laguna”), entered into one certain Lease of Groundwater effective December 2, 2011; and

WHEREAS, the original Lease of Groundwater was 6109.588 acre-feet of permitted Edwards Aquifer water for a term of 10 years beginning January 1, 2012 and expiring December 31, 2021; and

WHEREAS, the amendment includes additional water from two Edwards Aquifer permits, P101-686 (UV00435A) for 60.00 acre-feet and P100-588 (BE00242) for 28.705 acre-feet, for a total of 88.705 acre-feet increasing the total from 6,109.588 to 6,198.293 acre-feet of permitted Edwards Aquifer water; and
WHEREAS, lease payments are currently made quarterly on January 1, April 1, July 1, and October 1; and

WHEREAS, the amendment will change the January 1 quarterly payment to on or before January 14, April 1, July 1, and October 1 of each lease year; and

WHEREAS, lease payments for years 4 and 5 will increase by $10,201.08 yearly for a total of $20,402.15; and will increase lease payments for years 6 – 10 by $12,418.70 yearly, if the option to terminate in year 5 is not exercised; for a total increase of $62,093.50. The overall increase to lease payments for the duration of the lease term is $82,495.65. However, if the right to terminate is exercised, the overall increase will be $30,603.23; and

WHEREAS, yearly lease payments for years 4 and 5 will increase from $702,602.62 to $712,803.69 and for years 6 – 10 from $855,342.32 to $867,761.02; and

WHEREAS, the bonus payment will increase by $5,100.54, for the additional 88.705 acre-feet, from $351,301.31 to $356,401.84; and

WHEREAS, there will be a total expenditure increase of $87,596.19; and

WHEREAS, money is available in the 2015 budget to support the increase in lease payments; and

WHEREAS, water will be available for use in 2015; and

WHEREAS, the amendment will be effective upon System Board approval and execution of the President/Chief Executive Officer or his duly appointed designee; and

WHEREAS, the San Antonio Water System Board of Trustees desires that the System, as successor in interest in the Lease to BexarMet, on behalf of itself and its District Special Project, should enter into a First Amendment to that one certain Lease of Groundwater to achieve these goals; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES CONCERNING BOTH THE SYSTEM AND ITS DISTRICT SPECIAL PROJECT:

1. That the First Amendment of Lease of Groundwater attached hereto as Exhibit A is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the First Amendment.

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

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

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Patricia E. Merritt, Secretary
ATTACHMENT A

FIRST AMENDMENT OF LEASE OF GROUNDWATER

This First Amendment of Lease of Groundwater ("Amendment of Lease") is entered into between Laguna Water II, Ltd., a Texas limited partnership ("Lessor") and the City of San Antonio, a Texas municipal corporation, by through its San Antonio Water System, as successor in interest to Bexar Metropolitan Water District ("Lessee").

RECITALS

A. Lessor and Bexar Metropolitan Water District entered into a Lease of Groundwater for Edwards Aquifer Groundwater Rights with an effective date of December 2, 2011 (the “Original Lease”), for the lease of Lessor’s groundwater rights and permit rights from the Edwards Aquifer, shown on Exhibit “A”.

B. City of San Antonio, a Texas municipal corporation by through its San Antonio Water System is a successor in interest to Bexar Metropolitan Water District.

C. Lessor and Lessee have now agreed to amend and restate the withdrawal amount shown in Section 1, the first and last paragraph only of Section 4A, Section 4B in its entirety and Section 14 under the Original Lease.

D. Lessor and Lessee have agreed to increase the amount of water leased to Lessee by 88.705 acre-feet so that the total amount leased in 2015 forward will be 6,198.293 acre-feet of unrestricted Edwards Aquifer groundwater per annum.

AGREEMENTS

NOW, THEREFORE, in consideration of the above-stated Recitals, the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Terms. Any capitalized terms used herein shall have the same meaning given them in the Original Lease, unless specifically defined otherwise herein.

2. Amendment of Section 1. The amount of water showing in Section 1 shall be amended from 6,109.588 acre-feet of unrestricted Edwards Aquifer ground water per annum to 6,198.293 acre-feet of unrestricted Edwards Aquifer groundwater per annum. This change shall only be effective for the years 2015 forward. The following permits shall be added to Exhibit “A”:

   a. EAA Initial Regular Permit P101-686 (UV00435A) recorded as Document No. 20080230072 in the Official Public Records of Bexar County, Texas
      Total amount of Water Rights being leased to Lessee under this Permit: 60.00 acre-feet
   b. EAA Initial Regular Permit P100-558 (BE00242) recorded as Document No. 20120135338 in the Official Public Records of Bexar County, Texas
      Total amount of Water Rights being leased to Lessee under this Permit: 28.705 acre-feet
3. **Amendment of Section 4A.** The first paragraph of Section 4A only of the Original Lease shall be amended and restated in its entirety to read:

“Rent for the first 3 Lease Years and the first quarterly installment of 2015, Lease Year 4, have been paid by the Lessee at a rate of $115.00 per acre-foot. For Lease Year 4 and 5, rent for the Water Rights will be one hundred fifteen and no/100 dollars ($115.00) per acre-foot, for a total lease payment of Seven Hundred Twelve Thousand Eight Hundred Three and 69/100 Dollars ($712,803.69) per Lease Year (“Rent”). Should the Lease continue in effect through the Expiration Date, rent for the Water Rights for Lease Years 6 through 10, will be one hundred forty and no/100 dollars ($140.00) per acre-foot, for a total lease payment of Eight Hundred Sixty-Seven Thousand Seven Hundred Sixty-One and 02/100 Dollars ($867,761.02) (also “Rent”). Notwithstanding the foregoing, in the event either party hereto exercises its right in Section 3 hereinabove to terminate this Lease effective on the Termination Date, rent for the Water Rights for Lease Year 6 will be one hundred fifteen and no/100 dollars ($115.00) per acre-foot, for a total lease payment of Seven Hundred Twelve Thousand Eight Hundred Three and 69/100 Dollars ($712,803.69) per Lease Year.”

4. **Amendment of Section 4A.** The last paragraph of Section 4A only of the Original Lease shall be amended and restated in its entirety to read:

“All Rent payments are subject to any adjustment pursuant to Section 5 below ("Reductions and Changes in Designation"). Rent for each Lease Year is due in four equal payments on or before January 14th, April 1st, July 1st and October 1st of each Lease Year. On or before the Effective Date of this Lease, Lessor agrees to provide to Lessee its Social Security Number, W-9, or the Tax Identification Number.”

Notwithstanding the foregoing, in Lease Year 4 the increased prorated rent based on the calculation changing from 6,109.588 acre-feet of unrestricted Edwards Aquifer groundwater per annum to 6,198.293 acre-feet of unrestricted Edwards Aquifer groundwater per annum shall only be due after Lessee’s Board of Trustee’s approves this amendment and Lessee executes this Amendment of Lease. For example, should the April Board of Trustee’s approve the Amendment of Lease then the April 1st payment shall remain $175,650.65 and the July 1st and the October 1st payment will be $180,751.19. Remaining additional lease years after 2015 shall be prorated in four equal payments based on the new increased acreage.

5. **Amendment of Section 4B.** Section 4B of the Original Lease shall be amended and restated in its entirety to read:

“Should neither party elect to terminate the Lease as of the Termination Date, and provided Lessor is not then in default under the Lease, Lessor will receive fifty-seven and 50/100 dollars ($57.50) per acre-foot, for a total payment of three hundred fifty-six thousand four hundred one and 84/100 dollars ($356,401.84) (the “Signing Bonus”), on or before January 14th of Lease Year 6.

Should Lessee elect to terminate the Lease effective as of the Termination Date, and provided Lessor was not, at the time of such termination, then in default under the Lease, Lessor will receive twenty-eight and 75/100 dollars ($28.75) per acre-foot, for a total payment of One Hundred Seventy-Eight Thousand Two Hundred Dollars and 92/100 ($178,200.92).”

6. **Remaining paragraphs in Sections 4A.** All remaining paragraphs in Section 4A (other than the first and last paragraph) shall remain the same.

7. **Amendment of Section 14.** All notices to Lessee under Paragraph 14 of the Original Lease shall
be given to:

San Antonio Water System
Water Resources Department
Mailing Address:
P.O. Box 2449
San Antonio, Texas 78212

Physical Address:
2800 U.S. Highway 281 North
San Antonio, Texas 78298

8. **Ratification.** The Original Lease, as amended by this Amendment of Lease, is ratified, confirmed and approved in all respects and remains in full force and effect, notwithstanding the timing of execution of this Amendment of Lease. To the extent there is any inconsistency between the Original Lease and this Amendment of Lease, the provisions of this Amendment of Lease control.

9. **Authority and Execution.** Each person executing this Amendment of Lease on behalf of a party represents and warrants that such person is duly and validly authorized to enter into this Amendment of Lease for such party.

10. **Successors and Assigns.** The provisions of this Amendment of Lease shall bind and inure to the benefit of the heirs, representatives, successors and assigns of the parties, subject to the applicable provisions of the Original Lease.

11. **Counterparts.** This Amendment of Lease may be executed in multiple counterparts, which, when combined together, shall constitute an original of this Amendment of Lease. In addition, facsimile signatures of the parties shall be effective on all counterparts of this Amendment of Lease.

**IN WITNESS WHEREOF,** the parties have executed this Amendment effective as of date in which the Lessee executes the Amendment of Lease.

[Signature page to follow]
EXECUTED by Lessor this _____ day of __________________, 2015.

Laguna Water II, Ltd.,
A Texas limited partnership

By: Laguna Water Administration Limited,
a Texas limited partnership, its general partner

By: Laguna Water Management Company, L.L.C.,
a Texas limited liability company, its general partner

By:_________________________ ________
Edward A. Cross, President and Manager

EXECUTED by Lessee this _____ day of __________________, 2015.

SAN ANTONIO WATER SYSTEM:

By: ___________________________
Printed Name: Robert R. Puente
Title: President/Chief Executive Officer
TO: San Antonio Water System Board of Trustees

FROM: Jeffrey J. Haby, P.E., Senior Director – Sewer System Improvements and Steven Clouse, Senior Vice President, Chief Operating Officer

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

SUBJECT: APPROVAL OF CHANGE ORDER NO. 1 IN CONNECTION WITH THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 3” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 1 CONTRACT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 1 in the amount of $45,222.32 to the contract with Professional Pipe Services, a non-local, Non-SMWB firm, in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 1 Contract.

- San Antonio Water System (SAWS) in-house crews currently clean approximately 1,400 miles of sewer mains a year and inspect approximately 300 miles of sewer mains per year using closed circuit television mostly in the smaller diameter range of less than 24 inches in diameter.

- There are approximately 4,800 miles of small diameter sewer mains in the system of which approximately 1,100 miles are clay pipe greater than 40 years old and concrete pipe. This contract awards cleaning of 4.8 miles and inspection of 20.5 miles of designated mains in this asset class.

- This contract supplements our in-house capability to clean and inspect our small diameter sewer mains in order to improve the system hydraulic performance, to reduce sanitary sewer overflows and to assess and document the condition of sewer mains using the National Association of Sewer Service Companies Pipeline Assessment Certification Program system.

- SAWS has established a precedent for supplementing sanitary sewer cleaning and inspection with contract outside forces.

- Resolution No. 15-039, approved on February 10, 2015, approved the contract amount of $200,123.83.

- At the February 10th Board Meeting, Item 24, which proposed awarding a contract to
CleanServe, LLC for Cleaning and Inspection of Designated “Year 3” Small Collections Assets, Package 4 Contract, was pulled from the agenda. On February 9, 2015, CleanServe, LLC contacted SAWS and requested to withdraw its bid because of their inability to perform the work due to lack of resources. The purpose of this change order is to add a portion of the work from that proposed Package 4 Contract to this Package 1 Contract. After evaluating the options, it was decided that a change order was the best option to accomplish the work.

- This Change Order No. 1 will provide for additional funds to accomplish the remaining cleaning and inspection of small mains scheduled for completion in 2015.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds have been budgeted in the System Fund for this maintenance work. The System Fund will finance the increased amount of $45,222.32 for a total amount of $245,346.15 for contract services under Company: 1000, Accounting Units: 5043700 and 5044800, Account: 511312. The SAWS bid number for this project is 14-14136.

The authorizations for this project are as follows:

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<tr>
<th>Sanitary Sewer Cleaning &amp; Inspection of Designated “Year 3” Small Collection System Assets, Package 1</th>
<th>Amount Authorized</th>
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<tr>
<td>Original Contract Amount (Resolution No. 15-039)</td>
<td>$200,123.83</td>
</tr>
<tr>
<td>Proposed Change Order No. 1</td>
<td>$45,222.32</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
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</tbody>
</table>

Change Order No. 1 represents a 22.6 percent increase in the original contract amount resulting in a revised authorization of $245,346.15.

Jeffrey D. Draby, P.E.  
Senior Director  
Sewer System Improvements

Steven Clouse  
Senior Vice President  
Chief Operating Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 1 IN THE AMOUNT OF $45,222.32 TO THE CONTRACT WITH PROFESSIONAL PIPE SERVICES IN CONNECTION WITH THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 3” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 1 CONTRACT; AMENDING RESOLUTION NO. 15-039 BY APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN THE AMOUNT OF $45,222.32 FROM THE SYSTEM FUND FOR CHANGE ORDER NO. 1; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 1 AND TO PAY PROFESSIONAL PIPE SERVICES AN ADDITIONAL AMOUNT OF $45,222.32 FOR THE ADDITIONAL PROJECT WORK ASSOCIATED WITH CHANGE ORDER NO. 1; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking to clean and inspect sewer facilities within the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 1 Contract as part of its maintenance program associated with the Consent Decree; and

WHEREAS, cleaning and inspection contracts have been implemented in the past; and

WHEREAS, this project will include the cleaning and inspection of small diameter concrete and clay sewer mains ranging in size from 6 inches to 21 inches in diameter (the “project work”); and

WHEREAS, the System by Resolution No. 15-039 approved on February 10, 2015, awarded a contract in the amount of $200,123.83 to Professional Pipe Services, a non-local, Non-SMWB firm for the project work; and

WHEREAS, this Change Order No. 1 will provide for additional funds in the amount of $45,222.32 to continue the support of external contracted resources and will complement the System’s efforts to maintain established cleaning frequencies and inspection for the wastewater collection system; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 1 in the amount of $45,222.32 to the service contract with Professional Pipe Services for the additional project work in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 1 Contract, (ii) to amend Resolution No. 15-039 by approving the expenditure of an additional amount of $45,222.32 from the System Fund for Change Order No. 1, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 1 and to pay an additional amount not to exceed $45,222.32 to Professional Pipe Services for the additional project work associated with Change Order No. 1; now, therefore:

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

1. That Change Order No. 1 in the amount of $45,222.32 to the service contract with Professional Pipe Services for the additional project work in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 1 Contract is hereby approved.

2. That Resolution No. 15-039 is hereby amended by adding an additional sum not to exceed $45,222.32 for Change Order No. 1 and is hereby made available and to be expended from the System Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 1 and to pay Professional Pipe Services, an additional amount not to exceed $45,222.32 for the additional project work associated with Change Order No. 1 in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 1 Contract.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 18th day of May 2015.

Berto Guerra, Jr., Chairman

ATTEST:

Patricia E. Merritt, Secretary
TO: San Antonio Water System Board of Trustees  
FROM: Jeffrey J. Haby, P.E., Senior Director – Sewer System Improvements and Steven Clouse, Senior Vice President, Chief Operating Officer  
THROUGH: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: APPROVAL OF CHANGE ORDER NO. 1 IN CONNECTION WITH THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 3” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 3 CONTRACT  

Board Action Date: May 18, 2015  

SUMMARY AND RECOMMENDATION:  
The attached resolution approves Change Order No. 1 in the amount of $126,709.97 to the contract with Ace Pipe Cleaning, Inc., a local, non-SMWB firm, in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 3 Contract.  

- San Antonio Water System (SAWS) in-house crews currently clean approximately 1,400 miles of sewer mains a year and inspect approximately 300 miles of sewer mains per year using closed circuit television mostly in the smaller diameter range of less than 24 inches in diameter.  

- There are approximately 4,800 miles of small diameter sewer mains in the system of which approximately 1,100 miles are clay pipe greater than 40 years old and concrete pipe. This contract awards cleaning of 54.0 miles and inspection of 103.1 miles of designated mains in this asset class, including cleaning and/or inspection of two siphons totaling approximately 209 linear feet located in close proximity to the designated mains.  

- This contract supplements our in-house capability to clean and inspect our small diameter sewer mains and siphons in order to improve the system hydraulic performance, to reduce sanitary sewer overflows, and to assess and document the condition of sewer mains using the National Association of Sewer Service Companies Pipeline Assessment Certification Program system.  

- SAWS has established a precedent for supplementing sanitary sewer cleaning and inspection with contracted outside forces.  

- Resolution No. 15-041, approved on February 10, 2015, approved the contract amount of $691,062.65.  

- At the February 10th Board Meeting, Item 24, which proposed awarding a contract to
CleanServe, LLC for Cleaning and Inspection of Designated “Year 3” Small Collections Assets, Package 4 Contract, was pulled from the agenda. On February 9, 2015, CleanServe, LLC contacted SAWS and requested to withdraw its bid because of their inability to perform the work due to lack of resources. The purpose of this change order is to add a portion of the work from that proposed Package 4 Contract to this Package 3 Contract. After evaluating the options, it was decided that a change order was the best option to accomplish the work.

- This Change Order No. 1 will provide for additional funds to accomplish the remaining cleaning and inspection of small mains scheduled for completion in 2015.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds have been budgeted in the System Fund for this maintenance work. The System Fund will finance the increased amount of $126,709.97 for a total amount of $817,772.62 for contract services under Company: 1000, Accounting Units: 5043700, 5043900, 5044800, and 5045000, Account: 511312. The SAWS bid number for this project is 14-14138.

The authorizations for this project are as follows:

<table>
<thead>
<tr>
<th>Sanitary Sewer Cleaning &amp; Inspection of Designated “Year 3” Small Collection System Assets, Package 3</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 15-041)</td>
<td>$ 691,062.65</td>
</tr>
<tr>
<td>Proposed Change Order No. 1</td>
<td>$ 126,709.97</td>
</tr>
<tr>
<td><strong>Revised Contract Amount</strong></td>
<td><strong>$ 817,772.62</strong></td>
</tr>
</tbody>
</table>

Change Order No. 1 represents an 18.3 percent increase in the original contract amount resulting in a revised authorization of $817,772.62.

Jeffrey A. Haby, P.E.
Senior Director
Sewer System Improvements

Steven Clouse
Senior Vice President
Chief Operating Officer

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES APPROVING CHANGE ORDER NO. 1 IN THE
AMOUNT OF $126,709.97 TO THE CONTRACT WITH ACE
PIPE CLEANING, INC. IN CONNECTION WITH THE
SANITARY SEWER CLEANING AND INSPECTION OF
DESIGNATED “YEAR 3” SMALL COLLECTION SYSTEM
ASSETS, PACKAGE 3 CONTRACT; AMENDING
RESOLUTION NO. 15-041 BY APPROVING THE
EXPENDITURE OF ADDITIONAL FUNDS IN THE
AMOUNT OF $126,709.97 FROM THE SYSTEM FUND FOR
CHANGE ORDER NO. 1; AUTHORIZING THE
PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY
APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER
NO. 1 AND TO PAY ACE PIPE CLEANING, INC. AN
ADDITIONAL AMOUNT OF $126,709.97 FOR THE
ADDITIONAL PROJECT WORK ASSOCIATED WITH
CHANGE ORDER NO. 1; FINDING THE RESOLUTION TO
HAVE BEEN CONSIDERED PURSUANT TO THE LAWS
GOVERNING OPEN MEETINGS; PROVIDING A
SEVERABILITY CLAUSE; AND ESTABLISHING AN
EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking to
clean and inspect sewer facilities within the Sanitary Sewer Cleaning and Inspection of
Designated “Year 3” Small Collection System Assets, Package 3 Contract as part of its
maintenance program associated with the Consent Decree; and

WHEREAS, cleaning and inspection contracts have been implemented in the
past; and

WHEREAS, this project will include the cleaning and inspection of small
diameter concrete and clay sewer mains ranging in size from 6 inches to 21 inches in diameter
and two siphons (the “project work”); and

WHEREAS, the System by Resolution No. 15-041 approved February 10, 2015
awarded a contract in the amount of $691,062.65 to Ace Pipe Cleaning Inc., a local, non-SMWB
firm for the project work; and

WHEREAS, this Change Order No. 1 will provide for additional funds in the
amount of $126,709.97 to continue the support of external contracted resources and will
complement the System’s efforts to maintain established cleaning frequencies and inspection for
the wastewater collection system; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Change Order No. 1 in the amount of $126,709.97 to the service contract with Ace Pipe Cleaning, Inc. for the additional project work in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 3 Contract, (ii) to amend Resolution No. 15-041 by approving the expenditure of an additional amount of $126,709.97 from the System Fund for Change Order No. 1, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 1 and to pay an additional amount not to exceed $126,709.97 to Ace Pipe Cleaning, Inc. for the additional project work associated with Change Order No. 1; now, therefore:

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

1. That Change Order No. 1 in the amount of $126,709.97 to the service contract with Ace Pipe Cleaning, Inc. for the additional project work in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 3 Contract is hereby approved.

2. That Resolution No. 15-041 is hereby amended by adding an additional sum not to exceed $126,709.97 for Change Order No. 1 and is hereby made available and to be expended from the System Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 1 and to pay Ace Pipe Cleaning, Inc. an additional amount not to exceed $126,709.97 for the additional project work associated with Change Order No. 1 in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 3” Small Collection System Assets, Package 3 Contract.

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

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

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 18th day of May, 2015.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Scott R. Halty, Director, Resource Protection and Compliance, and Charles E. Ahrens, Vice President, Water Resources and Conservation

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

SUBJECT: APPROVAL OF A SERVICE CONTRACT TO COLLECT, TRANSPORT, AND DISPOSE OF NON-HAZARDOUS SOLID WASTE AND SPECIAL WASTE FROM SAN ANTONIO WATER SYSTEM PROPERTY LOCATED ALONG ELM CREEK

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the bid of and awards a service contract to J.R. Ramon & Sons, Inc., a local MBE-Hispanic firm, for the collection, transportation, and disposal of non-hazardous solid waste and special waste from San Antonio Water System (SAWS) property located along Elm Creek, a tributary to the Medina River from the period of May 5, 2015 to December 31, 2015. The resolution also authorizes the President/Chief Executive Officer or his duly appointed designee to execute a contract with J.R. Ramon & Sons, Inc., for an amount not to exceed $119,925.00. It further approves an additional amount of $12,000.00 for the collection, transportation, and disposal of currently unforeseen solid and special waste for a total amount of $131,925.00.

- SAWS owns a tract of real property located along Elm Creek, a tributary to the Medina River, on which various non-hazardous and special wastes, such as tires and solid waste material, both regulated by State and Federal entities, have accumulated.

- Elm Creek is a tributary to the Medina River; the tires and solid waste materials pose an environmental risk to the creek way environment.

- The proposed work will include the collection, handling, containment, packaging, management, transporting, and final disposal of the non-hazardous and special wastes.

- Removal of the solid and special wastes from the property will allow for future disposition of the site.

Staff recommends that the Board approve this resolution.
Award of Service Contract for Clean-Up Services of SAWS Property along Elm Creek

FINANCIAL IMPACT:

The item/services will be paid from system funds budgeted in the 2015 budget. (Company: 1000, Accounting Unit: 5020000, Account: 511220, Total 2015 amount: $131,925.00).

SUPPLEMENTARY COMMENTS:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.R. Ramon &amp; Sons, Inc.*</td>
<td>$119,925.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Gruene Environmental Construction</td>
<td>$185,933.57</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Hunter Demolition &amp; Wrecking</td>
<td>$239,300.00</td>
<td>Local/WBE-Caucasian</td>
</tr>
<tr>
<td>La Med Facility Maintenance</td>
<td>$283,360.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

* Lowest responsible bidder

<table>
<thead>
<tr>
<th>Clean-Up Services of SAWS Property along Elm Creek</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.R. RAMON &amp; SONS, INC.</td>
</tr>
</tbody>
</table>

SMWB ANALYSIS - BOARD AWARD

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
<td>100.00%</td>
</tr>
<tr>
<td>MBE - Other</td>
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</tr>
<tr>
<td>WBE - Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE - Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Scott R. Halty, Director
Resource Protection and Compliance

Charles E. Ahrens, Vice President
Water Resources and Conservation

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF AND AWARDING A SERVICE CONTRACT TO J.R. RAMON & SONS, INC., FOR THE COLLECTION, TRANSPORTATION, AND DISPOSAL OF NON-HAZARDOUS SOLID WASTE AND SPECIAL WASTE FROM SAN ANTONIO WATER SYSTEM REAL PROPERTY LOCATED ALONG ELM CREEK, A TRIBUTARY TO THE MEDINA RIVER FOR THE PERIOD OF MAY 5, 2015 TO DECEMBER 31, 2015, IN THE AMOUNT OF $119,925.00; AUTHORIZING AN ADDITIONAL $12,000.00 FOR UNFORESEEN WASTE DISPOSAL; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $131,925.00 FOR FISCAL YEAR 2015 FROM THE SYSTEM FUND TO PAY FOR OBLIGATIONS INCURRED PURSUANT TO THE SERVICE CONTRACT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE SERVICE CONTRACT WITH J.R. RAMON & SONS, INC., AND TO PAY AN AMOUNT NOT TO EXCEED $131,925.00 TO J.R. RAMON & SONS, INC., PURSUANT TO THE SERVICE CONTRACT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) issued an Invitation for Bids for a contractor to provide services to collect, transport, and dispose of non-hazardous solid waste and special waste from System property located along Elm Creek, a tributary to the Medina River; and

WHEREAS, the lowest bid was submitted by J.R. Ramon & Sons, Inc., in the amount of $119,925.00; and

WHEREAS, System funds in the amount of $119,925.00 are required for the project work; and

WHEREAS, additional System funds in an amount not to exceed $12,000.00 may be required for the collection, transportation, and disposal of currently unforeseen waste disposal in connection with the project work; and

WHEREAS, the amount of $131,925.00 is available from the System Fund for the project work; and
WHEREAS, this service contract is in the best interest of the System customers and all the citizens of San Antonio and will allow for the disposition of the property; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of and award a contract to J.R. Ramon & Sons, Inc., for the period of May 5, 2015 to December 31, 2015, in an amount not to exceed $119,925.00, (ii) to authorize an additional $12,000.00 for the collection, transportation, and disposal of currently unforeseen waste located on the property, (iii) to authorize the expenditure of funds in an amount not to exceed $131,925.00 for Fiscal Year 2015 from the System Fund to pay for obligations incurred pursuant to the contract, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with J.R. Ramon & Sons, Inc., and to pay an amount not to exceed $131,925.00 to J.R. Ramon & Sons, Inc., pursuant to the contract; now, therefore:

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

1. That the bid of J.R. Ramon & Sons, Inc., in the amount of $119,925.00 for performance of the project work is hereby accepted.

2. That a service contract in the amount of $119,925.00 is hereby awarded to J.R. Ramon & Sons, Inc.

3. That expenditure of System funds in an amount not to exceed $119,925.00 is hereby approved.

4. That the expenditure of System funds in an amount not to exceed $12,000.00 for contingency expenses in connection with the collection, transportation, and disposal of currently unforeseen solid and special waste is hereby approved.

5. That the total amount not to exceed $131,925.00 for the contract work and contingency expenses is hereby made available and is to be expended from the System Fund.

6. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the service contract between the System and J.R. Ramon & Sons, Inc., for performance of the work and to pay the amount of $131,925.00 to J.R. Ramon & Sons, Inc., pursuant to the service contract.

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

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

PASSED AND APPROVED this 18th day of May, 2015.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Tina Southard, Director, Risk Management and Sharon De La Garza, Vice President, Human Resources

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

SUBJECT: AWARD OF MEDICAL SERVICES FOR THE SAN ANTONIO WATER SYSTEM CONTRACT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution awards a service contract ending May 31, 2018 with three successive one-year term extensions, to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers, a local, non-SMWB firm, in the amount of $482,970.00 to perform Environmental and Occupational Health Services, Drug and Alcohol Screening and Medical Review Services, Pre-Employment Physicals, Post-Accident and Return to Work Evaluation Services.

- Resolution No. 09-065, dated March 3, 2009, awarded a three-year contract with three successive one-year term extensions to Alamo City Medical Group (ACMG) to serve as the San Antonio Water System’s (SAWS) medical service and treatment provider and to pay an amount not to exceed $875,000.00 commencing on April 1, 2009. On April 17, 2013, the contract between Alamo City Medical Group (ACMG) and SAWS was assigned by ACMG to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers.

- On April 17, 2013, it was agreed that the remaining contract year 2013 would be assumed by Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers.

- The parties exercised the option to extend the contract term for each of the available one-year periods.

- The current contract with Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers will expire on May 31, 2015.

- SAWS solicited a Request for Proposals for the medical services and treatment provider seeking the following services:
  - Special physical protocols to meet OSHA and EPA regulations governing the requirements to be met for SAWS employees that are members of a Haz-Mat Response Team and for all respirator uses.
O A quality, dependable 24 hours per day/ 7 days per week process for conducting random and post-accident drug and alcohol testing in compliance with U.S. Department of Transportation regulations in support of SAWS Drug-Free Workplace Policy.

O An aggressive, quality, readily-accessible medical treatment and case management program.

O A well-organized and administered pre-employment screening, post-job offer and return-to-work physical examination process and Work-Step Testing.

- Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers was selected as having the best overall proposal for SAWS.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The services will be paid from the System Fund budgeted in the 2015 annual Budget, and expenditures for subsequent years to be pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures (Company: 1000, Accounting Unit: all of SAWS, Accounts: 511312, Total 2015 amount $160,990.00). Each department will fund the cost of their services in their Accounting Unit as services are utilized.

**SUPPLEMENTARY COMMENTS:**

SAWS staff prepared a bid invitation using a Request for Proposals approach to acquire these services because of the complex and specialized nature of these tasks. This approach has been used in the past and has been effective.

The Request for Proposal approach affords SAWS the opportunity to establish a reasonable balance between price and qualifications in the selection of a qualified firm to perform the medical services. Firms were required to submit qualifications with their proposals including: a) Understanding of requirements including implementation methods, b) Management ability to include invoicing procedures, c) Commitment to quality assurance / control, d) Similar prior experience and organization history, e) Resources to include key personnel, cost structure, and facilities and f) Adherence to Affirmative Action and Small, Minority and Woman Business (SMWB) participation.

The Requests for Proposals were submitted on September 26, 2014, with the final selection determination confirmed on January 6, 2015.
Staff recommends that the contract be awarded to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers as the firm who will provide the services for SAWS based on the selection criteria set forth below. In determining the most qualified firm, the Evaluation Criteria listed below have been considered and weighted as shown:

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

B) Weighted Evaluation Criteria: The following weighted criteria were considered to determine which proposal provides the best service to SAWS:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Understanding of requirements including implementation methods</td>
<td>40</td>
</tr>
<tr>
<td>(b) Management ability to include invoicing procedures</td>
<td>15</td>
</tr>
<tr>
<td>(c) Commitment to quality assurance / control</td>
<td>10</td>
</tr>
<tr>
<td>(d) Similar Prior Experience and Organization History</td>
<td>10</td>
</tr>
<tr>
<td>(e) Resources to include key personnel, cost structure, and facilities</td>
<td>10</td>
</tr>
<tr>
<td>(f) Adherence to Affirmative Action and Small, Minority and Woman Business (SMWB) participation.</td>
<td>15</td>
</tr>
</tbody>
</table>

| Total Points | 100 |

SAWS received proposals from the following firms in three separate categories:

<table>
<thead>
<tr>
<th>DRUG &amp; ALCOHOL SCREENING &amp; MEDICAL REVIEW SERVICES</th>
<th>(a)</th>
<th>(b)</th>
<th>(c)</th>
<th>(d)</th>
<th>(e)</th>
<th>(f)</th>
<th>Aggregate Score Rank</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm / Points</td>
<td>40</td>
<td>1 - 4</td>
<td>15</td>
<td>1 - 4</td>
<td>10</td>
<td>1 - 4</td>
<td>10</td>
<td>1 - 4</td>
</tr>
<tr>
<td>ARCpoint Labs</td>
<td>28.0</td>
<td>3</td>
<td>10.125</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>6.5</td>
<td>3</td>
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<td>Concentra</td>
<td>36.0</td>
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<td>13.125</td>
<td>1</td>
<td>7.75</td>
<td>1</td>
<td>8.5</td>
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<td>Norton Medical Industries</td>
<td>31.0</td>
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<td>11.25</td>
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<td>7.75</td>
<td>1</td>
<td>7.25</td>
<td>2</td>
</tr>
<tr>
<td>Quick Doc PA</td>
<td>26.0</td>
<td>4</td>
<td>10.875</td>
<td>3</td>
<td>6.75</td>
<td>4</td>
<td>6.25</td>
<td>4</td>
</tr>
</tbody>
</table>
Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers was selected over Norton Medical, a California based company, for the Drug & Alcohol testing due to Concentra being local, having an established working relationship with SAWS and the overall benefit of having one provider for all medical services.

<table>
<thead>
<tr>
<th>Subcontractor Total Estimated SMWB Participation</th>
<th>Per Year</th>
<th>Thee Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Covenant Drug Collections, LLC. (WBE - Hispanic)</td>
<td>1.70%</td>
<td>1.70%</td>
</tr>
<tr>
<td>Atascosa Screening, LLC. (Pending WBE certification)</td>
<td>1.70%</td>
<td>1.70%</td>
</tr>
</tbody>
</table>
Award of the Medical Services for the San Antonio Water System Contract

Sharon De La Garza  
Vice President  
Human Resources

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF AND AWARDING A CONTRACT TO OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST, P.A. DBA CONCENTRA MEDICAL CENTERS IN AN AMOUNT NOT TO EXCEED $482,970.00 FOR THE INITIAL TERM TO PROVIDE MEDICAL SERVICES AND TREATMENT PROVIDER SERVICES FOR THE SYSTEM FOR THE PERIOD OF JUNE 1, 2015 THROUGH MAY 31, 2018, WITH THREE SUCCESSIVE ONE-YEAR TERM EXTENSIONS; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $482,970.00 FOR THE INITIAL TERM FROM THE SYSTEM FUND AND THAT FUTURE EXPENDITURES BE PURSUANT TO AND CONTINGENT ON BOARD APPROVAL OF FUTURE BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT AND ALL RELATED DOCUMENTS WITH OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST, P.A. DBA CONCENTRA MEDICAL CENTERS FOR THE SYSTEM’S MEDICAL SERVICES AND TREATMENT PROVIDER FROM JUNE 1, 2015 THROUGH MAY 31, 2018, WITH THREE SUCCESSIVE ONE-YEAR TERM EXTENSIONS AND TO PAY OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST, P.A. DBA CONCENTRA MEDICAL CENTERS AN AMOUNT NOT TO EXCEED $482,970.00 FOR THE INITIAL TERM, AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXTEND THE CONTRACT WITH OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST, P.A. DBA CONCENTRA MEDICAL CENTERS, FOR THE ADDITIONAL THREE ONE-YEAR EXTENSIONS SHOULD THE EXTENSIONS BE AGREEABLE TO THE SYSTEM AND OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST, P.A. DBA CONCENTRA MEDICAL CENTERS, AND THAT FUTURE EXPENDITURES BE PURSUANT TO AND CONTINGENT ON BOARD APPROVAL OF FUTURE BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.
WHEREAS, the San Antonio Water System (the “System”) currently contracts with Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers, and the contract will expire on May 31, 2015; and

WHEREAS, the System solicited a Request for Proposals for the medical services and treatment provider; and

WHEREAS, Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers was selected as having the best overall proposal for the System; and

WHEREAS, the total amount not to exceed $482,970.00 for the initial term is available from the System Fund for the medical services and treatment provider; and

WHEREAS, if determined favorable to the System, three additional one-year extension options will be available as provided for and approved by the Board in future year’s budgets; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of and award a contract to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers in an amount not to exceed $482,970.00 for the initial term to provide medical services and treatment provider for the period of June 1, 2015 through May 31, 2018, with three successive one-year term extensions, (ii) to authorize expenditures in an amount not to exceed $482,970.00 for the initial term from the System Fund, and expenditures for subsequent years to be pursuant to and contingent upon Board approval of the subsequent years’ budgets with a line item for such expenditures, (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract and all related documents with Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers for the System’s medical services and treatment provider from June 1, 2015 through May 31, 2018, with three successive one-year term extensions and to pay Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers an amount not to exceed $482,970.00 for the initial term, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to extend the contract with Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers, for the additional three one-year extensions should the extensions be agreeable to the System and Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers, and that future expenditures are pursuant to and contingent on Board approval of future budgets with a line item for such expenditures, now, therefore:

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

1. That the proposal of Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers in an amount not to exceed $482,970.00 for the initial term for the medical services and treatment provider for the period of June 1, 2015 through May 31, 2018, with three successive one-year term extensions is hereby accepted.
That a contract is hereby awarded to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers for the System's medical services and treatment provider.

That expenditures in an amount not to exceed $482,970.00 for the initial term are hereby authorized from the System Fund and expenditures for subsequent years to be pursuant to and contingent upon Board approval of the subsequent years’ budgets with a line item for such expenditures.

That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the contract and all related documents with Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers for the System's medical services and treatment provider from June 1, 2015 through May 31, 2018, with three successive one-year term extensions and to pay Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers an amount not to exceed $482,970.00 for the initial term.

That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to extend the contract with Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers, for the additional three one-year extensions should the extensions be agreeable to the System and Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers, and that future expenditures are pursuant to and contingent on Board approval of future budgets with a line item for such expenditures.

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

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

This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 18th day of May, 2015.

_______________________________
Berto Guerra, Jr., Chairman
ATTEST:

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

FROM: Joe Samples, Chief of Information Systems and Douglas P. Evanson, Senior Vice President/Chief Financial Officer

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

SUBJECT: AUTHORIZATION OF EXPENDITURES FOR THE PURCHASE OF CISCO PRODUCTS AND SERVICES FOR VARIOUS INFORMATION SYSTEMS PROJECTS FOR THE DATA CENTER, NETWORK ENGINEERING AND TELEPHONY GROUPS FOR 2015

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of Cisco Systems products and services through various State of Texas Department of Information Resources (DIR) Contracts, DIR-TSO-2542 (Cisco Systems) and its resellers, DIR-TSO-2544 (Presidio Networked Solutions Group) and its resellers, DIR-TSO-2541 (AT&T Corp), and DIR-TSO-2543 (General Datatech) for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2015. This resolution also authorizes funding in an amount not to exceed $1,300,000.00 to various resellers for the period of May 5, 2015 through December 31, 2015 to provide Cisco product and services.

- DIR provides statewide leadership and oversight for management of government information and communications technology. By leveraging the state's volume-buying power to drive down costs through a streamlined cooperative purchasing program. DIR has already performed all state of Texas competitive procurement requirements.

- Contracts may be used by state and local government, public education, other public entities in Texas, as well as public entities outside the state. Two of the contracts have resellers, many of which are HUB vendors.

- Cisco Systems offers Cisco branded hardware, networking equipment, servers, data storage solutions, and related services through the DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541 and DIR-TSO-2543 contracts with purchase orders going directly to contract holders or authorized resellers.

- The DIR contracts, DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543 specify minimum pricing and discounts off of Cisco Global Price List.
The discounts listed on DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543 are minimum guaranteed contract pricing. This means that the Authorized Reseller Vendors must provide, at a minimum, those discounts and cannot offer less favorable pricing discounts than the contract discounts. However, the Authorized Reseller Vendors listed below may offer any additional, incremental discounts to any eligible users under this contract and such additional discounts if offered, may be provided at the discretion and as the sole legal obligation of the Authorized Reseller Vendors.

The San Antonio Water System’s (SAWS) Information Systems Department uses Cisco products for switching and routing of wired and wireless network traffic, for network security appliances and components, for telephony PBX and call center applications, and for servers and aspects of server management. Previously, we have made separate requests throughout the year and to be more efficient, we are seeking to consolidate requests into one annual request for all budgeted Cisco products.

SAWS Information Systems Department began implementing Cisco products for switching, routing and network security in 2002 when migrating the network technology from Token-Ring to Ethernet. SAWS began implementing Cisco products in late 2003 to replace an analog PBX and related call center applications and fully implemented the solutions in 2005 with SAWS headquarters move. SAWS migrated to Cisco products for servers and aspects of server management in 2011 as part of a technology refresh for ERSS hardware. Cisco represents a technology portfolio vendor for SAWS similar to Microsoft or Oracle and we have optimized SAWS resources for Cisco products thru training and certifications.

SAWS Purchasing Department will continue the practice of issuing a Request for Quote (RFQ) for all Cisco project requirements and will send the RFQ to defined Cisco resellers to insure SAWS always receives the most competitive price.

SAWS reserves the right to add/ delete authorized DIR contract holders and resellers in accordance with the State of Texas Department of Information Resources (DIR) Contract DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543.

The combined not to exceed total amount of Cisco products purchases for products and services for the remainder of 2015 will not exceed $1,300,000.00.

SAWS will return to the Board for Cisco purchases for subsequent years.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The item/services will be paid from the SAWS System Fund budgeted in the 2015 budget (Company: 1000, Accounting Unit: Various, Account: 511315, as well as from Project Funds - Total 2015 amount $1,300,000.00).
Authorization of Expenditures
For Cisco Products and Services

APPROVED:

Joe Samples
Chief of Information Systems

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

Robert R. Puente
President/Chief Executive Officer

Attachments:
I. Authorized Cisco Resellers
II. Minimum Pricing & Discounts List
**Attachment I**

Authorized Cisco products and service resellers on DIR-TSO-2542.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Local/Non-Local</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accudata Systems Inc.</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>Alexander Open Systems, Inc.</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>Austin Ribbon &amp; Computer Supplies, Inc.</td>
<td>Non-Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>CDW Government, LLC</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Datavox</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Desert Communications</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>Dimension Data</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Direct Packet, Inc. dba OneVision Solutions</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>DISYS Solutions, Inc.</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>ePlus Technology, Inc</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>FMS Technologies dba Flexile Systems</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Ford Audio-Video Systems, Inc.</td>
<td>Non-Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>Great South Texas Corporation dba Computer Solutions</td>
<td>Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>Greater Dallas Office Equipment, Inc dba Intelinet Systems</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>Insight Public Sector, Inc.</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Lumenate Technologies, LP</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Micro Integration &amp; Programming Solutions, Inc.</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Netera Network Integrations, LLC</td>
<td>Non-Local</td>
<td>MBE-Hispanic</td>
</tr>
<tr>
<td>Netsync Network Solutions, Inc</td>
<td>Non-Local</td>
<td>WBE-Hispanic</td>
</tr>
<tr>
<td>Nexus IS, Inc.</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>NWN Corporation</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>PCMG, Inc. dba PCM Gov, Inc.</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Pinnacle Business Systems</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>Porter Burgess Company dba Flair Data Systems</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>SHI Government Solutions, Inc.</td>
<td>Non-Local</td>
<td>MBE-Asian</td>
</tr>
<tr>
<td>Sigma Technology Solutions Inc</td>
<td>Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Softchoice Corporation</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Sology LLC</td>
<td>Non-Local</td>
<td>WBE-African American</td>
</tr>
<tr>
<td>Strategic Products and Services (SPS)</td>
<td>Non-Local</td>
<td>SBE</td>
</tr>
<tr>
<td>Synetra Inc</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>Technology for Education dba: TFE</td>
<td>Non-Local</td>
<td>WBE-Caucasian</td>
</tr>
<tr>
<td>TeleSpace LLC</td>
<td>Non-Local</td>
<td>MBE-Hispanic</td>
</tr>
<tr>
<td>The Broadleaf Group, LLC.</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>United Teleservices, Inc. dba CenturyLink</td>
<td>Non-Local</td>
<td>Non-SMWB</td>
</tr>
<tr>
<td>World Wide Technology, Inc.</td>
<td>Non-Local</td>
<td>MBE-African American</td>
</tr>
<tr>
<td>Zones, Inc.</td>
<td>Non-Local</td>
<td>MBE-Asian</td>
</tr>
</tbody>
</table>
Authorized Cisco products and service resellers on DIR-TSO-2544.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Local/Non-Local</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre Technologies</td>
<td>Non-Local</td>
<td>SMWB-WBE-Caucasian</td>
</tr>
</tbody>
</table>
Attachment II

State of Texas DIR - Contracts for Cisco Branded Products and Related Services, and their Pricing

The discounts listed below on each DIR contract price schedule are the minimum guaranteed contract pricing discounts. This means that the Authorized Contract Holders or Reseller Vendors must provide, at a minimum, those discounts and cannot offer less favorable pricing discounts than the contract discounts. However, the Contract Holder or Authorized Reseller Vendors may offer any additional, incremental discounts to any eligible users under these contracts and such additional discounts if offered, may be provided at the discretion and as the sole legal obligation of the Contract Holder or Authorized Reseller Vendors.

**DIR Contract Number: DIR-TSO-2542**  
Vendor Name: Cisco Systems, Inc. (many resellers)  
Vendor ID: 177059951100  
HUB Type: Non HUB


Minimum Pricing & Discounts off Cisco US Global Price List which is posted on the Cisco website.

<table>
<thead>
<tr>
<th>Scope of Offering</th>
<th>Discount % off MSRP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products</strong></td>
<td></td>
</tr>
<tr>
<td>Cisco Equipment on the Global Pricelist</td>
<td>35.00%</td>
</tr>
<tr>
<td><strong>Related Services</strong></td>
<td></td>
</tr>
<tr>
<td>Government - 1 Year Cisco SMARTnet Contract</td>
<td>10.00%</td>
</tr>
<tr>
<td>Government - 3 Year Cisco SMARTnet Contract</td>
<td>17.00%</td>
</tr>
<tr>
<td>Government - 5 Year Cisco SMARTnet Contract</td>
<td>21.00%</td>
</tr>
<tr>
<td>Education - 1 Year Cisco SMARTnet Contract</td>
<td>25.00%</td>
</tr>
<tr>
<td>Education - 3 Year Cisco SMARTnet Contract</td>
<td>28.00%</td>
</tr>
<tr>
<td>Education - 5 Year Cisco SMARTnet Contract</td>
<td>30.00%</td>
</tr>
<tr>
<td>Training - Cisco Learning Credits</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Partner Services</strong></th>
<th>NTE Amount/Hour*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Network Services I</td>
<td>$285.00</td>
</tr>
<tr>
<td>Enterprise Network Services II</td>
<td>$325.00</td>
</tr>
<tr>
<td>Enterprise Network Services III</td>
<td>$375.00</td>
</tr>
<tr>
<td>Technician</td>
<td>$180.00</td>
</tr>
<tr>
<td>Network Engineer</td>
<td>$225.00</td>
</tr>
<tr>
<td>Senior Network Engineer</td>
<td>$275.00</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$250.00</td>
</tr>
<tr>
<td>Program Manager</td>
<td>$275.00</td>
</tr>
</tbody>
</table>

*Labor Rates Not To Exceed Hourly Rate
## DIR Contract Number: DIR-TSO-2544

Vendor Name: **Presidio Networked Solutions Group** (1 reseller)
Vendor ID: 17605152499
HUB Type: Non HUB


### COMPUTERS

<table>
<thead>
<tr>
<th>PRODUCT Category</th>
<th>DIR Customer Discount %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cisco Products (equipment and related software)</td>
<td>38%</td>
</tr>
<tr>
<td>Cisco Maintenance (Gov't)</td>
<td>18%</td>
</tr>
<tr>
<td>Cisco Maintenance (Education)</td>
<td>28%</td>
</tr>
<tr>
<td>Cisco Meraki</td>
<td>38%</td>
</tr>
<tr>
<td>Cisco SourceFire Software</td>
<td>30%</td>
</tr>
<tr>
<td>Cisco SourceFire Appliances</td>
<td>25%</td>
</tr>
<tr>
<td>Cisco SourceFire Svc and Training</td>
<td>15%</td>
</tr>
<tr>
<td>Cisco SourceFire Options and Accessories</td>
<td>5%</td>
</tr>
<tr>
<td>Cisco SourceFire First Year Support</td>
<td>15%</td>
</tr>
<tr>
<td>Cisco SourceFire Support Renewal</td>
<td>10%</td>
</tr>
</tbody>
</table>

### SERVICE Category

| Datacom/Telecom design and planning services, Installation, Training, Troubleshooting, Support, Data Center and virtualization professional services | 15% |

---
DIR Contract Number: DIR-TSO-2541
Vendor Name: AT&T Corp. (no resellers)
Vendor ID: 1134924710302
HUB Type: Non HUB


<table>
<thead>
<tr>
<th>Manufacturer Product Line</th>
<th>Customer Discount % off MSRP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hardware</strong></td>
<td></td>
</tr>
<tr>
<td>Cisco</td>
<td></td>
</tr>
<tr>
<td>Cisco Hardware and Software for ALL Categories</td>
<td>39.00%</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Maintenance Services</strong></td>
<td></td>
</tr>
<tr>
<td>Cisco Maintenance</td>
<td>17.00%</td>
</tr>
<tr>
<td>Education Maintenance</td>
<td>30.00%</td>
</tr>
<tr>
<td><strong>Cisco Technical Services</strong></td>
<td></td>
</tr>
<tr>
<td>Installation</td>
<td>0.00%</td>
</tr>
<tr>
<td>Training</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>AT&amp;T Technical Services</strong></td>
<td></td>
</tr>
<tr>
<td>AT&amp;T Financing/Leasing Services</td>
<td>ICB</td>
</tr>
<tr>
<td>Staging</td>
<td>12.00%</td>
</tr>
<tr>
<td>Installation</td>
<td>12.00%</td>
</tr>
<tr>
<td>Project Management</td>
<td>12.00%</td>
</tr>
<tr>
<td>Telephony Site Survey</td>
<td>12.00%</td>
</tr>
<tr>
<td>Wireless Site Survey and Assessment</td>
<td>7.00%</td>
</tr>
<tr>
<td>Structured Cabling Services</td>
<td>12.00%</td>
</tr>
<tr>
<td>ICB see AT&amp;T website</td>
<td></td>
</tr>
</tbody>
</table>

*ICB*
**DIR Contract Number: DIR-TSO-2543**
Vendor Name: General Datatech (no resellers)
Vendor ID: 1752756261900
HUB Type: Non HUB


<table>
<thead>
<tr>
<th>Hardware</th>
<th>DIR Customer Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cisco</td>
<td>44.85%</td>
</tr>
<tr>
<td>Ironport</td>
<td>24.50%</td>
</tr>
<tr>
<td>Ironport Maintenance (Annual)</td>
<td>23.00%</td>
</tr>
</tbody>
</table>

**Maintenance**

<table>
<thead>
<tr>
<th>Maintenance</th>
<th>DIR Customer Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartnet</td>
<td>20.50%</td>
</tr>
<tr>
<td>Smartnet for Education (K-12 &amp; higher education)</td>
<td>31.75%</td>
</tr>
<tr>
<td>Cisco Maintenance</td>
<td>20.50%</td>
</tr>
<tr>
<td>Cisco Maintenance for Education (k-12 &amp; higher education)</td>
<td>31.75%</td>
</tr>
</tbody>
</table>

**Technical Services**

<table>
<thead>
<tr>
<th>Technical Services</th>
<th>DIR Hourly Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>End User Specialist/Trainer</td>
<td>$100.00</td>
</tr>
<tr>
<td>Associate Network Systems Engineer</td>
<td>$100.00</td>
</tr>
<tr>
<td>Network Systems Engineer/Security Systems Engineer</td>
<td>$135.00</td>
</tr>
<tr>
<td>Technical</td>
<td>$150.00</td>
</tr>
<tr>
<td>Principal</td>
<td>$160.00</td>
</tr>
<tr>
<td>Staging Resource</td>
<td>$60.00</td>
</tr>
<tr>
<td>Level 1 installer</td>
<td>$78.00</td>
</tr>
<tr>
<td>Level 2 installer</td>
<td>$78.00</td>
</tr>
<tr>
<td>Level 3 installer</td>
<td>$95.00</td>
</tr>
<tr>
<td>Level 4 installer</td>
<td>$100.00</td>
</tr>
<tr>
<td>Installation Engineers</td>
<td>$100.00</td>
</tr>
<tr>
<td>Associate PM</td>
<td>$100.00</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$130.00</td>
</tr>
<tr>
<td>Senior Project Manager</td>
<td>$130.00</td>
</tr>
<tr>
<td>Staging Engineer</td>
<td>$65.00</td>
</tr>
<tr>
<td>Cisco Authorized Training</td>
<td>9.50%</td>
</tr>
</tbody>
</table>
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE PURCHASE OF CISCO PRODUCTS AND SERVICES THROUGH THE STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES CONTRACTS DIR-TSO-2542 (CISCO SYSTEMS) AND IT’S RESELLERS, DIR-TSO-2544 (PRESIDIO NETWORKED SOLUTIONS GROUP) AND IT’S RESELLERS, AND DIR-TSO-2541 (AT&T), AND DIR-TSO-2543 (GENERAL DATATECH) FOR VARIOUS INFORMATION SYSTEMS PROJECTS FOR THE DATA CENTER, NETWORK ENGINEERING AND TELEPHONY GROUPS FOR THE PERIOD OF MAY 18, 2015 THROUGH DECEMBER 31, 2015; AUTHORIZING FUNDS TO BE EXPENDED IN FY2015 FROM THE SYSTEM’S PROJECT FUND AND SYSTEM FUND IN AN AMOUNT NOT TO EXCEED $1,300,000.00; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACTS WITH VARIOUS CONTRACT HOLDERS OR RESELLERS FOR CISCO PRODUCTS AND SERVICES FROM MAY 18, 2015 THROUGH DECEMBER 31, 2015 AND TO PAY VARIOUS CONTRACT HOLDERS OR RESELLERS AN AMOUNT NOT TO EXCEED $1,300,000.00 FOR CISCO PRODUCTS AND SERVICES FOR VARIOUS INFORMATION SYSTEMS PROJECTS FOR THE DATA CENTER, NETWORK ENGINEERING AND TELEPHONY GROUPS FOR 2015; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the State of Texas Department of Information Resources (DIR) provides statewide leadership and oversight for management of government information and communications technology; and

WHEREAS, contracts may be used by state and local government, public education, other public entities in Texas, as well as public entities outside the state. Two of the contracts have resellers, many of which are HUB vendors; and

WHEREAS, Cisco Systems offers Cisco branded hardware, networking equipment, servers, data storage solutions, and related services through the DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541 and DIR-TSO-2543 contracts with purchase orders going directly to contract holders or authorized resellers; and

WHEREAS, the DIR contracts, DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543 specify minimum pricing and discounts off of Cisco Global Price List; and
WHEREAS, the discounts listed on DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543 are minimum guaranteed contract pricing. This means that the Authorized Reseller Vendors must provide, at a minimum, those discounts and cannot offer less favorable pricing discounts than the contract discounts. However, the Authorized Reseller Vendors may offer any additional, incremental discounts to any eligible users under this contract and such additional discounts if offered, may be provided at the discretion and as the sole legal obligation of the Authorized Reseller Vendors; and

WHEREAS, the San Antonio Water System (the “System”) Information Systems Department uses Cisco products for switching and routing of wired and wireless network traffic, for network security appliances and components, for telephony PBX and call center applications, and for servers and aspects of server management. Previously, we have made separate requests throughout the year and to be more efficient, we are seeking to consolidate requests into one annual request for all budgeted Cisco products; and

WHEREAS, the System began implementing Cisco products for switching, routing and network security in 2002 when migrating the network technology from Token-Ring to Ethernet. The System began implementing Cisco products in late 2003 to replace an analog PBX and related call center applications and fully implemented the solutions in 2005 with the System’s headquarters move. The System migrated to Cisco products for servers and aspects of server management in 2011 as part of a technology refresh for ERSS hardware. Cisco represents a technology portfolio vendor for the System similar to Microsoft or Oracle and we have optimized the System’s resources for Cisco products through training and certifications; and

WHEREAS, the System’s Purchasing Department will continue the practice of issuing a Request for Quote (RFQ) for all Cisco project requirements and will send the RFQ to each of the defined Cisco resellers to insure SAWS always receives the most competitive price; and

WHEREAS, the combined not to exceed total amount of Cisco products and services purchases for the remainder of 2015 will not exceed $1,300,000.00; and

WHEREAS, the System will return to the Board for Cisco purchases for subsequent years; and

WHEREAS, it is estimated the amount to be expended from the System Fund and Project Fund is $1,300,000.00; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the use of the State of Texas Department of Information Resources (DIR) contracts DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543 through contract holders or resellers for the purchase of Cisco products and services for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for the period of May 18, 2015 through December 31, 2015, (ii) to approve the expenditures in an amount not to exceed $1,300,000.00 for FY 2015 from the System Fund and Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute contracts with various contract holders or resellers for Cisco products and services from May 18, 2015 through
December 31, 2015, and to pay various contract holders or resellers an amount not to exceed $1,300,000.00; now, therefore:

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

1. That the use of the State of Texas Department of Information Resources (DIR) contracts DIR-TSO-2542, DIR-TSO-2544, DIR-TSO-2541, and DIR-TSO-2543 through contract holders or resellers for the purchase of Cisco products and services for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2015 for the period of May 18, 2015 through December 31, 2015 is hereby authorized.

2. That an amount not to exceed $1,300,000.00 is hereby made available to be expended from the System Fund and Project Fund for Cisco products and services for various Information Systems related projects for the period of May 18, 2015 through December 31, 2015.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute contracts with various authorized Cisco contract holders or resellers for the purchase of Cisco products and services for various Information Systems projects for the Data Center, Network Engineering and Telephony Groups for 2015 for the period of May 18, 2015 through December 31, 2015.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay an amount not to exceed $1,300,000.00 to the authorized Cisco contract holders or resellers for Cisco products and services from May 18, 2015 through December 31, 2015.

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

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

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 18th day of May, 2015.
AGENDA ITEM NO. 27

TO: San Antonio Water System Board of Trustees

FROM: Mary Bailey, Vice President, Business Planning/Controller and Douglas Evanson, Senior Vice President/Chief Financial Officer

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

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE COMPREHENSIVE RATE STUDY CONSULTING SERVICES CONTRACT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1 and amends Resolution No. 14-048 by authorizing additional funds in an amount not to exceed $100,342.00 and authorizes the President/Chief Executive Officer to provide additional payment in an amount not to exceed $100,342.00 to Black & Veatch for additional professional services in connection with the Comprehensive Rate Study consulting services contract.

- SAWS is undertaking a comprehensive rates, fees and charges study (Comprehensive Rate Study).

- The last Comprehensive Rate Study was completed in 2010.

- Contract Amendment No. 1 in the amount of $100,342.00 is required for additional work related to the Comprehensive Rate Study to reflect the impact of the Vista Ridge water supply project to include 1) the forecast of multiple year revenues under existing rates, 2) the forecast of multiple year revenue requirements, 3) the development of more detailed affordability program options, 4) the inclusion of elasticity considerations in rate design projections, and 5) the development of proposed drought rates.

- The Board of Trustees, by Resolution No. 14-048, adopted February 10, 2014, awarded a professional services contract and authorized funds in the amount of $277,986.00 with Black & Veatch for professional services related to the Comprehensive Rate Study.

- The scope of services of the original contract did not foresee the need for provision of a multi-year analysis of the impact on rates of implementation of the Vista Ridge water supply project because details of the project were unknown at the time; additionally, the original scope assumed estimated completion of the Rate Study in 2014.

- Contract Amendment No. 1 revises the scope of services to assess the impact of the Vista Ridge water supply project over multiple years and extends the expected date of Rate Study completion to the fall of 2015.
• Black & Veatch is a nationally recognized expert in the rate field, having worked on rate issues for many of the largest U.S. cities.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

<table>
<thead>
<tr>
<th>Board Action</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized by Resolution No. 14-048</td>
<td>$277,986.00</td>
</tr>
<tr>
<td>Additional Authorization by this Resolution</td>
<td>$100,342.00</td>
</tr>
<tr>
<td>Total Revised Authorization</td>
<td>$378,328.00</td>
</tr>
</tbody>
</table>

The new contract amount as a result of Contract Amendment No. 1 is $378,328.00. This represents a 36.1 percent increase to the original contract amount.

Funding for Amendment No. 1 will be paid from System Fund budgeted in the 2015 budget (Company: 1000, Accounting Unit: 8111100, Accounts: 511312).

**APPROVED:**

Mary Bailey
Vice President, Business Planning/Controller

Douglas P. Evanson
Sr. Vice President/Chief Financial Officer

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 1 IN AN AMOUNT NOT TO EXCEED $100,342.00 IN CONNECTION WITH THE COMPREHENSIVE RATE STUDY CONSULTING SERVICES CONTRACT; AMENDING RESOLUTION NO. 14-048 BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $100,342.00 FOR ADDITIONAL PROFESSIONAL SERVICES BY BLACK & VEATCH IN CONNECTION WITH THE COMPREHENSIVE RATE STUDY CONSULTING SERVICES CONTRACT; APPROVING THAT AN ADDITIONAL AMOUNT NOT TO EXCEED $100,342.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM FUND FOR FISCAL YEAR 2015 FOR THE ADDITIONAL PROFESSIONAL SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 1 AND TO PAY BLACK & VEATCH AN ADDITIONAL AMOUNT NOT TO EXCEED $100,342.00 FOR THE ADDITIONAL PROFESSIONAL SERVICES IN CONNECTION WITH THE COMPREHENSIVE RATE STUDY; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System is undertaking a comprehensive rates, fees, and charges study (Comprehensive Rate Study); and

WHEREAS, the last comprehensive cost of service and rate design study was completed in 2010; and

WHEREAS, Contract Amendment No. 1 in the amount of $100,342.00 is required for additional work related to the Comprehensive Rate Study to reflect the impact of the Vista Ridge water supply project to include 1) the forecast of multiple year revenues under existing rates, 2) the forecast of multiple year revenue requirements, 3) the inclusion of elasticity considerations in rate design projections, 4) the development of proposed drought rates, and 5) the development of more detailed affordability program options; and

WHEREAS, the Board of Trustees, by Resolution No. 14-048, adopted February 10, 2014, awarded a professional services contract and authorized funds in the amount of $277,986.00 with Black & Veatch for consulting services related to the Comprehensive Rate Study; and

WHEREAS, the scope of services of the original contract did not foresee the need for provision of a multi-year analysis of the impact on rates of implementation of the Vista
Ridge water supply project because details of the project were unknown at the time; additionally, the original scope assumed estimated completion of the Rate Study in 2014; and

WHEREAS, Contract Amendment No. 1 revises the scope of services to assess the impact of the Vista Ridge water supply project over multiple years and extends the expected date of Rate Study completion to the fall of 2015; and

WHEREAS, Black & Veatch is a nationally recognized expert in the rate field, having worked on rate issues for many of the largest US cities; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 in an amount not to exceed $100,342.00 for additional professional services in connection with the Comprehensive Rate Study, (ii) to amend Resolution No. 14-048 by approving additional expenditures in an amount not to exceed $100,342.00 for additional professional services, (iii) to approve the expenditure of an amount not to exceed $100,342.00 from the System Fund for Fiscal Year 2015 for additional professional services, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Contract Amendment No. 1 and pay Black & Veatch an additional amount not to exceed $100,342.00 for additional professional services in connection with the Comprehensive Rate Study; now therefore:

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

1. That Contract Amendment No. 1 in an amount not to exceed $100,342.00 for additional professional services in connection with the Comprehensive Rate Study is hereby approved.

2. That Resolution No. 14-048 is hereby amended by increasing the amount approved for professional services in connection with the Comprehensive Rate Study by $100,342.00 from the previous authorization of $277,986.00 to an amended authorization of $378,328.00.

3. That an additional amount not to exceed $100,342.00 for additional professional services is hereby made available and to be expended from the System Fund for Fiscal Year 2015.

4. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Contract Amendment No. 1 and to pay Black & Veatch an additional amount not to exceed $100,342.00 for additional professional services in connection with the Comprehensive Rate Study.

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

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

7. This Resolution becomes effective immediately upon its passage.

   PASSED AND APPROVED this the 18\textsuperscript{th} day of May 2015.

\begin{center}
\text{Berto Guerra, Jr., Chairman}
\end{center}

ATTEST:

\begin{center}
\text{Patricia E. Merritt, Secretary}
\end{center}
TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Infrastructure Planning and Ashok S. Kaji, P.E., Interim-Vice President, Engineering and Construction

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

SUBJECT: UTILITY SERVICE AGREEMENT FOR WATER AND/OR WASTEWATER SERVICES TO TRACTS REQUIRING OVERSIZING OF MAINS AND/OR ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution approves Utility Service Agreements (USA) to provide water and/or wastewater services to the specified tracts of land requiring oversized mains, and/or are located outside the San Antonio Water System’s (SAWS) water and/or wastewater Certificate of Convenience and Necessity (CCN).

• This board item consists of three tracts, which total 1,163.00 acres, 4,702 water Equivalent Dwelling Units (EDUs), and 4,663 wastewater EDUs.

• Board approval is required since the tracts requires oversizing and/or are located outside the SAWS water and/or wastewater CCN.

• The Stonehill Subdivision Development is located within the City of San Antonio Extra Territorial Jurisdiction (CoSA ETJ). It is within both SAWS’ Water and Wastewater CCN’s, and it has an existing water USA from BexarMet for 1,950 EDUs and an expired wastewater contract from SAWS for 850 EDUs. This new USA will replace the Bexar-Met USA, request additional EDUs and allow oversizing for some of the Developer required water and wastewater infrastructure based on the integrated SAWS & DSP water master plan.

• The Orchards Development is located within the CoSA ETJ. It is within both SAWS’ Water and Wastewater CCN’s, and it has an expired wastewater contract from SAWS for 2,500 EDUs. A new USA is requested with additional EDUs and oversizing for some of the Developer required water and wastewater infrastructure based on the integrated SAWS & DSP water master plan.
The Medina Valley ISD Middle School #2 Development is located in Medina County, within Yancey’s Water Supply Corporation water CCN, and is not requesting water service. This new USA requests 50 EDUs of wastewater service. The tract is outside SAWS’ wastewater CCN.

The Developers are required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.

The Developers are responsible for the construction and engineering costs associated with all required water and/or wastewater mains to serve the tract (on-site and off-site).

Staff recommends that the Board approve this resolution.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>District Special Project (BMWD)</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stonehill Subdivision</td>
<td>McCombs Enterprises</td>
<td>568.00</td>
<td>2,030</td>
<td>1,981</td>
<td>CoSA ETJ</td>
<td>No</td>
<td>Yes</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>2</td>
<td>The Orchards</td>
<td>Cumberland 90, Ltd.</td>
<td>565.00</td>
<td>2,672</td>
<td>2,632</td>
<td>CoSA ETJ</td>
<td>No</td>
<td>Yes</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>3</td>
<td>Medina Valley ISD Middle School #2</td>
<td>Medina Valley Independent School District</td>
<td>30.00</td>
<td>0*</td>
<td>50</td>
<td>Outside</td>
<td>No</td>
<td>No</td>
<td>Sewer CCN</td>
<td>Out</td>
<td>Out</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td>1,163.00</td>
<td>4,702</td>
<td>4,663</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Located within the Yancey Water Supply Corporation service area

Acronyms:
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- AC = Acreage
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- BMWD = Bexar Metropolitan Water District
- CoSA = City of San Antonio
- ETJ = Extraterritorial Jurisdiction

**EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:**

Upon approval by SAWS of this USA, the Developer Customers have 36 months to complete the required utility master plan and to start construction. If a Developer Customer fails to complete these requirements within the 36-month period, the USA will expire and a request for a new agreement must be submitted to SAWS. During the effective term of this USA, capacity in SAWS water and wastewater systems will be set aside. The Developer Customers are not guaranteed capacity until all required off-site infrastructure is built by the Developer, accepted by SAWS, and all impact fees are paid.
**FINANCIAL IMPACT:**

In compliance with the San Antonio Water System’s Board of Trustees water extension policy, Developer Customer applicants are responsible for financing all required local benefit facilities and for payment of all applicable impact fees. The Developers will contribute all impact fees in effect at the time of plat recordation or the latest date allowable by law for each subdivision unit. The fees to be collected by SAWS will be recorded in the Service Recovery Account and are estimated as follows, based on current charges and full build out of the tracts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stonehill Subdivision</td>
<td>$11,684,161.00</td>
</tr>
<tr>
<td>2</td>
<td>The Orchard</td>
<td>$15,248,584.00</td>
</tr>
<tr>
<td>3</td>
<td>Medina Valley ISD Middle School #2</td>
<td>$117,550.00</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>$27,050,295.00</strong></td>
</tr>
</tbody>
</table>

SAWS is responsible for providing access to existing general benefit facilities and/or financing the construction of additional general benefit facilities.

**OVERSIZING:**

The following USA’s have recommendations for the oversizing of mains and/or facilities based on SAWS Master Plan:
<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Oversize SAWS</th>
<th>Oversize Developer</th>
<th>Oversize Total</th>
<th>Oversize Developer (%)</th>
<th>Oversize SAWS (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Stonehill Subdivision (Common with Orchard 2a) (W/12-inch to 16-inch) (Not Common)</td>
<td>$1,208,900</td>
<td>$1,554,300</td>
<td>$2,763,200</td>
<td>56.25%</td>
<td>43.75%</td>
</tr>
<tr>
<td>1b</td>
<td>Stonehill Subdivision (Common with Orchard 2b) (W/16-inch to 24-inch)</td>
<td>$1,192,400</td>
<td>$953,920</td>
<td>$2,146,320</td>
<td>44.44%</td>
<td>55.56%</td>
</tr>
<tr>
<td>1c</td>
<td>Stonehill Subdivision (WW/10-inch to 30-inch)</td>
<td>$5,800,000</td>
<td>$800,000</td>
<td>$6,600,000</td>
<td>12.12%</td>
<td>87.88%</td>
</tr>
<tr>
<td>1d</td>
<td>Stonehill Subdivision (WW/10-inch to 24-inch)</td>
<td>$654,500</td>
<td>$137,500</td>
<td>$792,000</td>
<td>17.36%</td>
<td>82.64%</td>
</tr>
<tr>
<td>1e</td>
<td>Stonehill Subdivision (GST) (330,000 gal to 2,000,000 gal)</td>
<td>$1,826,000</td>
<td>$374,000</td>
<td>$2,200,000</td>
<td>17.00%</td>
<td>83.00%</td>
</tr>
<tr>
<td>1f</td>
<td>Stonehill Subdivision (Hydro) (20,000 gal to 30,000 gal)</td>
<td>$79,575</td>
<td>$159,175</td>
<td>$238,750</td>
<td>66.67%</td>
<td>33.33%</td>
</tr>
<tr>
<td>1g</td>
<td>Stonehill Subdivision (HSP) (4.5 MGD to 8.0 MGD)</td>
<td>$1,400,000</td>
<td>$1,800,000</td>
<td>$3,200,000</td>
<td>56.25%</td>
<td>43.75%</td>
</tr>
<tr>
<td>1h</td>
<td>Stonehill Subdivision (Well) (0.8 MGD to 3.0 MGD)</td>
<td>$2,566,550</td>
<td>$933,450</td>
<td>$3,500,000</td>
<td>26.67%</td>
<td>73.33%</td>
</tr>
<tr>
<td>2a</td>
<td>The Orchard (Not common with Stonehill 1a) (W/12-inch to 16-inch)</td>
<td>$269,500</td>
<td>$346,500</td>
<td>$616,000</td>
<td>56.25%</td>
<td>43.75%</td>
</tr>
<tr>
<td>2b</td>
<td>The Orchard (Not common with Stonehill 1b) (W/16-inch to 24-inch)</td>
<td>$1,026,749</td>
<td>$821,251</td>
<td>$1,848,000</td>
<td>44.44%</td>
<td>55.56%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$16,316,774</strong></td>
<td><strong>$8,256,296</strong></td>
<td><strong>$24,573,070</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.

Sam Mills, P.E.
Director, Infrastructure Planning

Ashok S. Kaji, P.E.
Interim-Vice President, Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachment:
1. Table 1, Tract Information
### Table 1
#### Tract Information

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>PZ</th>
<th>District Special Project (BMWD)</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Board Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stonehill Subdivision</td>
<td>McCombs Enterprises</td>
<td>Mr. Harry Adams</td>
<td>CoSA ETJ</td>
<td>No</td>
<td>Yes</td>
<td>930/ 1080</td>
<td>568.00</td>
<td>2,030</td>
<td>1,981</td>
<td>Big Sous Creek</td>
<td>OVR</td>
</tr>
<tr>
<td>2</td>
<td>The Orchard</td>
<td>Cumberland 90, Ltd.</td>
<td>Mr. George A. Field</td>
<td>CoSA ETJ</td>
<td>No</td>
<td>Yes</td>
<td>950/ PZ 04</td>
<td>565.00</td>
<td>2,672</td>
<td>2,632</td>
<td>Big Sous Creek</td>
<td>OVR</td>
</tr>
<tr>
<td>3</td>
<td>Medina Valley ISD Middle School #2</td>
<td>Medina Valley Independent School District</td>
<td>Tommy Ellison</td>
<td>Outside</td>
<td>N/A</td>
<td>No</td>
<td>N/A</td>
<td>30.00</td>
<td>0*</td>
<td>50</td>
<td>Big Sous Creek</td>
<td>Outside Sewer CCN</td>
</tr>
</tbody>
</table>

* Located within the Yancey Water Supply Corporation service area

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- CZ = Edwards Aquifer Contributing Zone
- CoSA = City of San Antonio
- ETJ = Extraterritorial Jurisdiction
- OVR = Oversizing
- AC = Acreage
- WW = Wastewater
- BMWD = Bexar Metropolitan Water District
- PZ = Pressure Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD
OF TRUSTEES APPROVING A UTILITY SERVICE
AGREEMENT TO PROVIDE WATER AND/OR
WASTEWATER SERVICES TO THE SPECIFIED
TRACT OF LAND REQUIRING OVERSIZING OF
MAINS AND/OR ARE LOCATED OUTSIDE THE
SAN ANTONIO WATER SYSTEM WATER AND/OR
WASTEWATER CERTIFICATE OF CONVENIENCE
AND NECESSITY, SUBJECT TO THE EXPIRATION
OF SUCH AGREEMENTS IF NOT EXERCISED IN
THIRTY-SIX MONTHS; FINDING THE
RESOLUTION TO HAVE BEEN CONSIDERED
PURSUANT TO THE LAWS GOVERNING OPEN
MEETINGS; PROVIDING A SEVERABILITY
CLAUSE; AND ESTABLISHING AN EFFECTIVE
DATE

WHEREAS, the Developer Customer specified in the table at Attachment I, has requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and has satisfied the requirements of the Board’s Regulations for Developer Customers Applicant; and

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>WEDUs</th>
<th>WAPEDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>District Special Project (BMWD)</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stonehill Subdivision</td>
<td>McCombs Enterprises</td>
<td>568.00</td>
<td>2,030</td>
<td>1,981</td>
<td>CoSA ETJ</td>
<td>No</td>
<td>Yes</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>2</td>
<td>The Orchard</td>
<td>Cumberland 90, Ltd.</td>
<td>565.00</td>
<td>2,672</td>
<td>2,632</td>
<td>CoSA ETJ</td>
<td>No</td>
<td>Yes</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>3</td>
<td>Medina Valley ISD Middle</td>
<td>Medina Valley Independent</td>
<td>30.00</td>
<td>0*</td>
<td>50</td>
<td>Outside</td>
<td>No</td>
<td>No</td>
<td>Outside Sewer CCN</td>
<td>Out</td>
<td>Out</td>
</tr>
</tbody>
</table>

* Located within the Yancey Water Supply Corporation service area

WHEREAS, the Developer Customer’s provisions to acquire water and/or wastewater services within the System’s jurisdiction is generally illustrated in the attached Project Site Maps; and

WHEREAS, the Developer Customer is obligated to pay the prescribed fees and to comply with other applicable requirements as set forth in the Regulations for Water and/or Wastewater Service; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Utility Service Agreement and to provide water and/or wastewater services to tracts of land requiring oversizing of mains and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity, and (ii) to provide that the agreements will be honored for a period of thirty-six months, and that if not exercised during this period, the Utility Service Agreement will expire; now, therefore:

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

1. That the San Antonio Water System hereby approves the Utility Service Agreement and agrees to provide water and/or wastewater services to tracts of land requiring oversizing of mains and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity as generally illustrated in the attached Project Site Maps hereto, on a Developer Customer basis as provided for in the Board’s Regulations, applicable amendments to the Regulations, and any other applicable federal, state or local regulations.

2. That the agreements shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service Agreement will expire.

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

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

5. This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this 18th day of May, 2015.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Secretary
Oversize the proposed SAWS water storage and pumping facility to a 2,000,000 gal tank, 8 MGD high service pumps, 3 MGD well capacity, and a 30,000 gal. hydrotank.

Oversizing approximately 5.2 miles of water mains.

Project Location

Legend

- Existing Water Main
- Proposed Water Mains
- USA
- Parcels Update

SAWS UTILITY MAP DISCLAIMER
This utility map is for reference only. The information may not represent what actually has been constructed. SAWS explicitly disclaims any representation of the accuracy of the information on this map. SAWS assumes no liability for any errors, omissions or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. SAWS prohibits the reproduction or sale of this document. This SAWS utility map may not under any circumstances be copied, reproduced, or published in any form or media, or transferred to another without the written permission of the San Antonio Water System (SAWS).
Stonehill Tract
2030 Water EDUs
1981 Sewer EDUs
568 Acres
USA-10107

Oversizing approximately 4.4 miles of wastewater mains
The Orchard Tract

Proposed Water Infrastructure Map

565 Acres

SAWS explicitly disclaims any representation of the accuracy of the information on this map. SAWS assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. SAWS prohibits the reproduction or sale of this document. This SAWS utility map may not under any circumstances, be copied, reproduced, or published in any form or media, or transferred to another without the written permission of the San Antonio Water System (SAWS).

Project Location

Legend

Existing Water Main

Proposed Water Mains

USA Parcels

- Proposed SAWS water storage and pumping facility
  - 2,000,000 gal. tank
  - 9 MGD high service pumps
  - 3 MGD well capacity
  - 30,000 gal. hydrotank

Oversizing approximately 6.5 miles of water mains

The Orchard Tract

2,672 Water EDUs

2,632 Sewer EDUs

565 Acres

USA-11249
The Orchard Tract
2672 Water EDUs
2632 Sewer EDUs
565 Acres
USA-11249

Connect a maximum of 154 EDUs to existing 24-inch gravity sewer main

Connect a maximum of 2,478 EDUs to existing 36-inch outfall main

Legend
- Parcels
- Bexar All Roads

Existing Infrastructure
- Manhole
- Sewer Main

Proposed Infrastructure
- 8-inch gravity sewer main
- 18-inch gravity sewer main

Project Location
Medina Valley ISD Middle School #2 Tract
0 Water EDUs
50 Sewer EDUs
30.0 Acres
USA-11769

SAWS' 8-inch sewer main

SAN ANTONIO WATER SYSTEM

Project Location

Legend

Existing Infrastructure

SAWS' Sewer CCN

Parcels

SAWS' Sewer Main

Bexar All Roads

SAWS UTILITY MAP DISCLAIMER

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TO: San Antonio Water System Board of Trustees
FROM: Darren Thompson, Director, Water Resources, and Charles E. Ahrens, Vice President, Water Resources and Conservation
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: APPROVING A FIRST AMENDMENT TO THE SAN ANTONIO WATER SYSTEM/CITY OF NIXON MITIGATION AND SETTLEMENT AGREEMENT

Board Action Date: May 18, 2015

SUMMARY AND RECOMMENDATION:

The attached resolution approves and authorizes execution of a First Amendment to the San Antonio Water System/City of Nixon Mitigation and Settlement Agreement (First Amendment).

- The San Antonio Water System (SAWS) Board of Trustees (Board) approved/supported groundwater development as part of the Regional Carrizo Water Supply Project and is included in the 2009 and 2012 Water Management Plan Updates designating the Regional Carrizo Project in western Gonzales County, Texas, as the preferred option for 11,687 acre-feet of Carrizo Aquifer water in meeting the Water Management Plan requirements.

- In June 2006, SAWS filed 14 permit applications for production wells with the Gonzales County Underground Water Conservation District (GCUWCD). These permit applications were ruled administratively complete in July 2006. In October 2006, GCUWCD and six other parties contested these 14 permit applications.

- The City of Nixon (City) was one of the protestors of SAWS 14 permit applications contested in Gonzales County, Texas.

- The City and SAWS entered into negotiations in an effort to resolve the City’s objections, and agreed to the terms of the San Antonio Water System/City of Nixon Mitigation and Settlement Agreement (Settlement Agreement).

- The Nixon City Council voted to approve the Settlement Agreement on July 12, 2010.

- The SAWS Board approved the Settlement Agreement September 14, 2010 by Resolution No. 10-297.

- The Settlement Agreement stipulated that the following requirements would be met prior to
commencement of production from SAWS’ well field in western Gonzales County:

- Lower the pumps/motors for three of the City’s Gonzales County wells by 200 feet from the existing water level;
- Evaluate the current pump/motor data to determine if they will provide the permitted amount of water, approved by the GCUWCD, for the City;
- Provide additional column pipe and well bore electrical cable to allow the pumps to be lowered by 200 feet from the existing water level;
- Re-establish the electrical connection to the City’s electrical panel and provide necessary parts to assure the pump and motor will operate;
- Pay the City a one-time power cost of $328,300.00 to offset the anticipated increase in power costs through 2060, due to decreased water levels attributable to SAWS pumping;
- SAWS’ obligations contingent upon SAWS receiving final non-appealable permits from the GCUWCD.

• The City withdrew its protest of SAWS permit application on July 13, 2010.
• SAWS received its permit from the GCUWCD on July 13, 2010.
• In October 2013, SAWS provided payment to the City for the one-time power cost of $328,300.00.
• In January 2014, SAWS began producing water from its well field in western Gonzales County prior to undertaking the pump modification.
• The City plugged one of the original three wells and now requires pump modifications for only the two remaining wells.
• The City has agreed to modify the Settlement Agreement with this First Amendment to make the following changes:
  - SAWS will lower the pumps/motors for only two of the City’s Gonzales County Wells, since the City has already plugged one of the original three wells;
  - The parties have agreed that the completion date for the mitigation work will occur on or before December 31, 2015.
This First Amendment was administratively approved in April 2015 by the Mayor of the City of Nixon.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

SAWS will expend funds to pay for the engineering design, equipment, materials, and construction to meet the terms of the Settlement Agreement and First Amendment. Preliminary costs, in the amount of $102,000.00, have been estimated for the equipment, materials, and construction of the two wells. Actual costs related to the well pump modifications will be presented to the SAWS Board for consideration at a later date. An existing contract with LBG Guyton Associates, previously approved by the SAWS Board, will be used for the engineering design work.

Darren Thompson, Director
Water Resources

Charles E. Ahrens, Vice President
Water Resources and Conservation

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES TO APPROVE THE FIRST AMENDMENT TO THE SAN ANTONIO WATER SYSTEM/CITY OF NIXON MITIGATION AND SETTLEMENT AGREEMENT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO NEGOTIATE AND EXECUTE THE FIRST AMENDMENT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is desirous of amending the San Antonio Water System/City of Nixon Mitigation and Settlement Agreement (the “Settlement Agreement”); and

WHEREAS, the System will lower the pumps and motors for two City of Nixon Gonzales County wells; and

WHEREAS, the System agrees to pay all costs associated with the lowering of the pumps and motors, as per the terms of the Settlement Agreement; and

WHEREAS, the System agrees to complete all mitigation work on or before December 31, 2015; and

WHEREAS, the San Antonio Water System Board of Trustees desires that the San Antonio Water System should enter into a First Amendment to that one certain Settlement Agreement dated September 2010 to achieve these goals; now, therefore:

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

1. The First Amendment to the San Antonio Water System/City of Nixon Mitigation and Settlement Agreement attached hereto as Attachment A is hereby approved.

2. The System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the First Amendment.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
4. If any part, section, paragraph, sentence, phrase or work of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 18th day of May, 2015.

______________________________
Berto Guerra Jr., Chairman

ATTEST:

______________________________
Patricia E. Merritt, Secretary
ATTACHMENT A
First Amendment
to
San Antonio Water System/City of Nixon
Mitigation and Settlement Agreement

This First Amendment to San Antonio Water System/City of Nixon Mitigation and Settlement Agreement is made by and between the City of San Antonio acting by and through its San Antonio Water System Board of Trustees, and the City of Nixon, Texas.

1. The San Antonio Water System (SAWS) filed applications with the Gonzales County Underground Water Conservation District (District) seeking permits to drill groundwater wells and to produce and transport 11,688 acre-feet per year of groundwater from within the District.

2. The City of Nixon (Nixon) protested the SAWS permit applications and was granted party status in the contested case hearing on the applications.

3. Nixon and SAWS entered into negotiations in an effort to resolve Nixon’s objections to the SAWS permit applications filed with the District.

4. Nixon and SAWS entered into that one certain San Antonio Water System/City of Nixon Mitigation and Settlement Agreement (the Agreement) attached hereto as Exhibit 1 to resolve their differences to the mutual satisfaction of both parties.

5. Nixon withdrew its protest and request for hearing on the SAWS permit applications as required by the Agreement.

6. SAWS received final non-appealable permits from the District and all other contingencies were satisfied in accordance with numbered paragraph 1.f of the Agreement.

7. SAWS paid to Nixon a one-time power cost of $328,000.00 in satisfaction of numbered paragraph 1.e of the Agreement.

8. SAWS and Nixon now desire to amend numbered paragraph 1 of the Agreement to reflect changed circumstances.

9. Numbered paragraphs 1.a, 1.b, 1.c, and 1.d of the Agreement are hereby amended to read as follows:

“1. SAWS agrees to pre-mitigate the City of Nixon’s well pumps/motors on two existing Gonzales County Carrizo Aquifer wells. No later than December 31, 2015:

a. SAWS will lower the pumps/motors in the City of Nixon’s two Gonzales County wells by 200 feet from the existing water level.
b. SAWS will evaluate the current pump/motor data to determine if the current pumps/motors will provide the amount of water required by the City of Nixon based on the existing registered and permitted volume approved by the Gonzales County Underground Water Conservation District. If the current pumps will not produce the determined volume at water level depths modeled in the permit applications, SAWS will replace the pumps and motors to allow the determined volume to be produced in the future. Any warranty that is made available to SAWS that is attributable to the work and equipment will be made available to the City of Nixon.

c. SAWS will provide additional column pipe and well bore electrical cable to allow the pumps to be set 200 feet lower than the existing water levels in the City of Nixon’s two existing Gonzales County water wells.

d. SAWS will re-establish the electrical connection to the Nixon electrical panel and provide necessary parts to assure that the pumps and motor will operate.”

10. The amendments made by this First Amendment to San Antonio Water System/City of Nixon Mitigation and Settlement Agreement are effective as of July 12, 2010.

San Antonio Water System

___________________________
By: Robert R. Puente
President/Chief Executive Officer

City of Nixon

____________________________
By: Hector Dominguez
Mayor