

AGENDA

**MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
Tuesday, November 4, 2008, 9:00 A.M.
6th Floor Board Room #609 and
Executive Conference Room #695
Administrative Offices
2800 U. S. 281 North
San Antonio, Texas**

- 1. MEETING CALLED TO ORDER.**
- 2. Announcements.**
 - A. The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.**
- 3. Minutes.**
 - A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Meeting of October 7, 2008.**
 - B. Approval of the Minutes of the San Antonio Water System Board of Trustees Budget Workshop/Meeting of October 7, 2008.**
 - C. Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting of October 20, 2008.**
 - D. Approval of the Minutes of the San Antonio Water System Board of Trustees Budget Workshop Meeting of October 21, 2008.**
 - E. Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting of October 27, 2008.**
 - F. Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting of October 28, 2008.**

**SAN ANTONIO WATER SYSTEM
HANDICAPPED ACCESSIBILITY STATEMENT**

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

4. **Ceremonial Items.**
 - A. **Recognition of Professors Richard Priesmeyer and Edward Cole regarding a program started by Dr. Keith Russell with the Greehey School of Business at St. Mary's University that researched the "best practices" for Fleet, Safety and Vehicle Markings. (JERRY BAILEY)**
 - B. **Recognition of the System by Merced Housing Texas and Los Vecinos de las Misiones for the Mission Espada Area Sewer Project. (VAL RUIZ)**
5. **Citizens to be Heard.**
6. **Board of Trustees - Committee Reports. Presentation of and deliberation on the following Committee Reports:**
 - A. **Audit and Finance Committee.**
 1. **Internal Audit Department Activities.**
 2. **September 2008 Financial Results.**
 3. **3rd Quarter Financial Forecast.**
 4. **3rd Quarter Investment Portfolio.**
 5. **State of the Credit Markets.**
 - B. **Planning and Operations Committee.**
 1. **Meeting was cancelled.**
 - C. **Water Resources Committee.**
 1. **State and Federal Initiatives.**
 2. **Regional Carrizo Program.**
 3. **Agreement with UTSA Center for Water Resources.**

CONSENT AGENDA ITEMS

Items 7– 37

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

7. **A Resolution accepting recommendations regarding the contracting for certain services, equipment, materials, and supplies, and authorizing the acceptance of bids as follows: (DOUG EVANSON - VICK GARMON)**
 - A. **Award of Contracts for the Purchase of Materials, Equipment and Services.**
 1. **Acceptance of the bid of Wachs Valve and Hydrant Services, LLC to provide: Water Valve Assessment, Rehabilitation and Information Management Program, Bid No. 08-8069, for a total of \$78,730.00. (This contract will be utilized for a Water Valve Assessment, Rehabilitation and Information Management Program to improve the operability of valves in the water distribution system to define and refine the scope and value of an ongoing system wide program through consulting activities. This contract will be effective Date of Award through November 30, 2009.)**

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

(WBE) 1. Acceptance of the bid of Gerard Electric, Inc., to provide: Electrical Assistance, Bid No. 08-0298, for a total of \$190,050.00. (Electrical Assistance contract will be utilized by various SAWS Departments to provide maintenance support repair service and small consolidation projects to the water production facilities. This contract will be effective January 1, 2009 through December 31, 2009.)

(SMB) 2. Acceptance of the bid of Commonwealth Computer Co., to provide: PC Desktop, Laptops and Services (State of Texas Contract), Bid No. 08-6023, for a total of \$759,632.00. (This contract will be utilized for the purchase of PC desktop, laptops and servers. Commonwealth Computer Co. has performed well during the contract period. This contract extension will be effective January 1, 2009 through December 31, 2009.)

(SBE) 3. Acceptance of the bid of Osburn Materials, Inc., to provide: Sludge Drying Bed Aggregate, Bid No. 08-0180, for a total of \$172,000.00. (Purchase of delivery of #1 fine aggregate for use at the Dos Rios Water Recycling Center, Leon Creek Water Recycling Center belt filter presses. Osburn Materials, Inc. has performed well during the contract period. This contract extension will be effective January 1, 2009 through December 31, 2009.)

4. Acceptance of the bid of HD Supply Waterworks, Ltd., to provide: Resilient Seated Gate and Tapping Valves, Reduced Wall, Resilient Seated Gate and Tapping Valves, Bid No. 08-0013, for a total of \$534,751.48. (This contract will be utilized for the purchase of resilient-seated gate and tapping valves and reduced wall resilient seated gate and tapping valves for water supply service on an as needed basis as requested by SAWS. This contract will be effective Date of Award (November 4, 2008) through December 31, 2009.)

5. Acceptance of the bid of Charlotte's Concrete, Inc., to provide: Concrete Storm, Sanitary Sewer Pipe and Concrete Manhole Sections, Bid No. 08-0156, for a total of \$120,345.00. (This contract will be utilized for construction materials necessary to construct or repair sewer manhole structures in the sewer collection system. This contract will be effective Date of Award (November 4, 2008) through December 31, 2009.)

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

No items for this Meeting.

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

No items for this Meeting.

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

- (WBE) 1. Acceptance of the bid of Wenzel, Wenzel & Assoc., Inc., to provide: Plastic Barricades, Bid No. 08-0009, for a total of \$100,000.00. (This contract will be utilized for the purchase of plastic barricades and traffic control devices. This contract will insure the safety of SAWS workers during street closure. This contract will be effective Date of Award (November 4, 2008) through May 31, 2010.)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

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

No.	Tract Name	Developer Name	Acreage	Water EDUs	WW EDUs	Board Reason	Water CCN	WW CCN
1	Valero Westover Hills	Valero Services Inc.	51.83	168	43	AC	Inside	Applied for
2	Schneider Tract (Revised 2008)	Centex Homes	125	680	680	AC/OVR	Forest Glen Utility Company	Applied for
Totals			<u>177</u>	<u>848</u>	<u>723</u>			
Year-to-Date Totals (January- November 2008)			<u>7,579</u>	<u>20,858</u>	<u>43,037</u>			

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

No.	Tract Name	Developer Name	Acreage	Water EDUs	WW EDUs	Board Reason	Water CCN	WW CCN
1	San Antonio Retirement Residence	Harvest Development LLC	12.52	69	81	EARZ	Inside	Inside
Totals			<u>12.52</u>	<u>69</u>	<u>81</u>			
Year-to-Date Totals (January- November 2008)			<u>2,382</u>	<u>4,900</u>	<u>4,900</u>			

10. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below which are located within the 5-mile

Awareness Zone of Camp Bullis, and are required to comply with the Camp Bullis 5-Mile Awareness Zone policies. (KELLEY NEUMANN – SAM MILLS)

No.	Tract Name	Developer Name	Acreage	Water EDUs	WW EDUs	Board Reason	Water CCN	WW CCN
1	Cuatro's Corner	Madison Realty Development Corporation	1.35	11	11	EARZ	Inside	Inside
2	Irvin Tract (Revised)	Laredo OFR, Ltd	187	453	453	AC/EARZ	Applied for	Applied for
3	Mission Center Subdivision	Investron, Ltd.	0.71	3	3	EARZ	Inside	Inside
Totals			<u>189</u>	<u>467</u>	<u>467</u>			
Year-to-Date Totals (January-November 2008)			<u>1,296</u>	<u>4,220</u>	<u>4,464</u>			

11. A Resolution accepting the bid of Silverado Brothers Construction Co., in the amount of \$876,883.91 for the construction of the 24-inch water main in connection with the Lazy M Ranch Subdivision 24-Inch Oversize Approach Main (12-Inch Required) Project; awarding a construction contract to Silverado Brothers Construction Co., in the amount of \$876,833.91 for the project work; authorizing the expenditure of System funds in the amount of \$657,662.93 for the System's proportionate share of the project work; authorizing the expenditure of System funds in the amount of \$65,766.29 for the System's proportionate share of the engineering design fees; authorizing the System's proportionate share of the construction contingency expenses in an amount not to exceed \$17,537.68 in connection with the project work; authorizing a total amount not to exceed \$740,966.90 from System's 2008 Capital Improvements Plan Oversize Projects Fund for the System's proportionate share of the project work, engineering fees, and construction contingency expenses related to the project work; authorizing the Interim President/Chief Executive Officer to execute a contract with Petros Development SA, LLC., and Silverado Brothers Construction Co., and provide payment in an amount not to exceed \$740,966.90 to Silverado Brothers Construction Co., in care of Petros Development SA, LLC., for the System's proportionate share of the cost to oversize the proposed water mains. Total expenditures are: \$740,966.90. (KELLEY NEUMANN – SAM MILLS)

12. A Resolution approving Final Recapitulation Change Order No. 3 in the decreased amount of \$78,238.51 to the construction contract with Big State Excavation, Inc., in connection with the Sunset Station 12-Inch, 24-Inch Oversize (12-Inch Required) and 30-Inch Oversize (12-Inch Required) Approach Water Main Project; authorizing the return of funds in the amount of \$68,416.38 to the Project Fund; authorizing the Interim President/Chief Executive Officer to execute the Final Recapitulation Change Order No. 3 and to close the contract. Total decreased amount is: \$68,416.38. (KELLEY NEUMANN – SAM MILLS)

REPLACEMENT AND ADJUSTMENT PROJECTS

- (SBE) 13. A Resolution amending Resolution No. 07-431 by ratifying the actions of the Senior Vice President of Strategic Resources in approving Change Order No. 3 in the amount of \$447,649.50 and approving Change Order No. 4 in the amount of \$28,447.70 in connection with the Los Angeles Heights Water Main and Sanitary Sewer Replacement

Phase I Project; approving the expenditure of additional funds in an amount not to exceed \$447,649.50 payable to San Antonio Constructors, Ltd., for Change Order No. 3; approving the expenditure of additional funds in an amount not to exceed \$28,447.70 payable to San Antonio Constructors, Ltd., for Change Order No. 4; approving an additional amount not to exceed \$485,060.30 be made available from the System's Project Fund for the additional sewer construction contingency expenses; authorizing the Interim President/Chief Executive Officer to pay to San Antonio Constructors, Ltd., an additional amount not to exceed \$476,097.20 for the additional project work associated with Change Orders No. 3 and 4. Total expenditures are: \$447,649.50. (KELLEY NEUMANN – FRANCES PLOCEK)

14. A Resolution accepting the bid of Pipelayers, Inc., in the amount of \$279,465.00 for the US 281 South at Medina River 12-Inch Water Main Replacement Project; awarding a construction contract to Pipelayers, Inc., in the amount of \$279,465.00 for the project work; approving the expenditure of funds in the amount of \$279,465.00 for the project work; approving construction contingency expenses in an amount not to exceed \$28,535.00 in connection with the project work; approving an amount not to exceed \$308,000.00 be made available and expended from the System's Project Fund for the project work and related construction contingencies; authorizing the Interim President/Chief Executive Officer to execute a construction contract with Pipelayers, Inc., and to pay Pipelayers, Inc., an amount not to exceed \$308,000.00 for the project work and related construction contingencies. Located in Council District 3. Total expenditures are: \$308,000.00. (KELLEY NEUMANN – FRANCES PLOCEK)

Governmental Relocations and Replacements

15. A Resolution approving the expenditure of funds in the amount of \$277,054.91 for the street pavement rehabilitation due to the previous water and sewer replacement in the Donaldson Terrace Area; approving an amount not to exceed \$138,527.45 be made available and expended from the System's Project Fund for the street pavement rehabilitation due to the previous water related project work; approving an amount not to exceed \$138,927.46 be made available and expended from the System's Project Fund for the street pavement rehabilitation due to the previous sewer related project work; authorizing the Interim President/Chief Executive Officer to reimburse the City of San Antonio an amount not to exceed \$277,054.91 for the project work. Located in Council District 7. Total expenditures are: \$277,054.91. (KELLEY NEUMANN – CINDY KOVACIC)
16. A Resolution amending Resolution No. 08-205 by approving the expenditure of additional funds in an amount not to exceed \$16,878.92 payable to the City of San Antonio for additional construction contingency expenses in connection with the Venus Street: Jupiter to Thompson Place Project; approving an additional amount not to exceed \$16,878.92 be made available and expended from the System's Project Fund for the additional construction contingency expenses; ratifying the actions of the Senior Vice President of Strategic Resources in approving additional reimbursement to the City of San Antonio in the amount of \$16,878.92 for additional construction contingency expenses; authorizing the Interim President/Chief Executive Officer to pay to the City of San Antonio an additional amount not to exceed \$16,878.92 for additional construction contingency expenses. Located in Council District 5. Total expenditures are: \$16,878.92. (KELLEY NEUMANN – CINDY KOVACIC)
17. A Resolution accepting the bid of Principle Contracting Services, LLC in the amount of \$471,710.90 for Mahncke Park Area Streets - New Braunfels: Eleanor to Pershing Project; awarding a construction contract to Principle Contracting Services, LLC in the

amount of \$471,710.90 for the project work; approving the expenditure of funds in the amount of \$471,710.90 for the project work; approving construction contingency expenses in an amount not to exceed \$47,171.09 in connection with the project work; approving an amount not to exceed \$155,528.60 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; approving an amount not to exceed \$363,353.89 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; authorizing the Interim President/Chief Executive Officer to execute a construction contract with Principle Contracting Services, LLC and to Principle Contracting Services, LLC an amount not to exceed \$471,710.90 for the project work and related construction contingencies. Located in Council District 9. Total expenditures are: \$471,710.90. (KELLEY NEUMANN – CINDY KOVACIC)

18. A Resolution amending Resolution No. 07-304 by approving the expenditure of additional funds in an amount not to exceed \$4,000.00 payable to the City of San Antonio for additional construction contingency expenses in connection with the Blanco/Clark/Hot Wells-MPO Sidewalks Project; approving an additional amount not to exceed \$4,000.00 be made available and expended from the System's Project Fund for the additional construction contingency expenses; ratifying the actions of the Senior Vice President, Strategic Resources in authorizing additional construction contingency funds in the amount of \$4,000.00; authorizing the Interim President/Chief Executive Officer to pay to the City of San Antonio an additional amount not to exceed \$4,000.00 for the additional project work and additional construction contingency expenses. Located in Council District 3. Total expenditures are: \$4,000.00. (KELLEY NEUMANN – CINDY KOVACIC)
19. A Resolution approving Final Recapitulation Change Order No. 3 in the increased amount of \$29,187.00 in connection with the City of Terrell Hills Tuttle Drainage Project; authorizing the return of the construction contingency balance of \$3,398.34 to the Project Fund; authorizing the Interim President/Chief Executive Officer to execute Final Recapitulation Change Order No. 3 and to pay the City of Terrell Hills the additional sum of \$29,187.00. Total expenditures are: \$29,187.00. (KELLEY NEUMANN – CINDY KOVACIC)
20. A Resolution approving Change Order No. 13 in the amount of \$26,988.82 payable to the Texas Department of Transportation in connection with the Spur 421 (Bandera Road): IH-10 to Evers Road Project; authorizing the Interim President/Chief Executive Officer to pay to the Texas Department of Transportation an amount not to exceed \$26,988.82 for the additional project work. Located in Council Districts 1 and 4. Total expenditures are: \$26,988.82. (KELLEY NEUMANN – CINDY KOVACIC)
21. A Resolution amending Resolution No. 08-007 by approving the expenditure of additional funds in an amount not to exceed \$30,000.00 payable to the San Antonio River Authority for additional construction contingency expenses in connection with the San Antonio River Improvement Museum Reach Project; approving an additional amount not to exceed \$30,000.00 be made available and expended from the System's Project Fund for the additional construction contingency expenses; ratifying the actions of the Senior Vice President of Strategic Resources in approving Change Order No. 38 in the amount of \$39,334.18; authorizing the Interim President/Chief Executive Officer to pay the San Antonio River Authority an additional amount not to exceed \$30,000.00 for the additional project work and additional construction contingency expenses. This project is located in Council District 1. Total expenditures are: \$30,000.00. (KELLEY NEUMANN – CINDY KOVACIC)

22. A Resolution approving the expenditure of funds in the amount of \$110,000.00 for the replacement and adjustment of water and sewer facilities by Bexar County in connection with the Comal Street: Commerce Street to Martin Street Project; approving construction contingency expenses related to the project work in an amount not to exceed \$22,000.00; approving an amount not to exceed \$96,000.00 be made available and expended from the System's Project Fund for the water project work and related construction contingencies; approving an amount not to exceed \$36,000.00 be made available and expended from the System's Project Fund for the sewer project work and related construction contingencies; authorizing the Interim President/Chief Executive Officer to execute an Interlocal Agreement and to pay in advance to Bexar County a total amount not to exceed \$132,000.00 for the project work and related construction contingencies. Total expenditures are: \$132,000.00.
(KELLEY NEUMANN – CINDY KOVACIC)

Professional Services

23. A Resolution accepting the proposal of Pape-Dawson Engineers, Inc., in an amount not to exceed \$60,000.00 for the design of water and sewer facility replacements in connection with the Haven for Hope Project; awarding a professional services contract to Pape-Dawson Engineers, Inc., in an amount not to exceed \$60,000.00 for engineering services in connection with the project; approving the expenditure of funds in an amount not to exceed \$30,000.00 from the System's Project Fund for the water project engineering work; approving the expenditure of funds in an amount not to exceed \$30,000.00 from the System's Project Fund for the sewer project engineering work; authorizing the Interim President/Chief Executive Officer to execute a professional services contract with Pape-Dawson Engineers, Inc., and to Pay Pape-Dawson Engineers, Inc. an amount not to exceed \$60,000.00 for the project engineering work in connection with the Haven for Hope Project. Total expenditures are: \$60,000.00.
(KELLEY NEUMANN – CINDY KOVACIC)
24. A Resolution approving Contract Amendment No. 2 in the amount of \$125,840.00 in connection with the Roosevelt Avenue Sanitary Sewer Main Rehabilitation Project; amending Resolution No. 06-186 by approving additional expenditures in an amount not to exceed \$32,653.88 for additional engineering services by RJN Group, Inc., in connection with the Roosevelt Avenue Sanitary Sewer Main Rehabilitation Project; approving the transfer of previously authorized supplemental service funds of \$93,186.12 to additional engineering services by RJN Group, Inc., in connection with the Roosevelt Avenue Sanitary Sewer Main Rehabilitation Project; approving that an amount not to exceed \$32,653.88 be made available and expended from the System's Project Fund for the sewer related additional engineering services; authorizing the Interim President/Chief Executive Officer to execute Contract Amendment No. 2 and to pay RJN Group, Inc., an additional amount not to exceed \$32,653.88 for engineering services in connection with the project. Total expenditures are: \$32,653.88.
(KELLEY NEUMANN – FRANCES PLOCEK)

MISCELLANEOUS PROJECTS

25. A Resolution accepting the bid of Austin Engineering, Company, Inc., in the amount of \$673,931.75 for the US Hwy 281: Mud Creek to Stone Oak Pkwy (Lift Station Removal No. 158) Project; awarding a construction contract to Austin Engineering, Company, Inc., in the amount of \$673,931.75 for the project work; approving the expenditure of funds in the amount of \$673,931.75 for the project work; approving construction contingency expenses in an amount not to exceed \$67,398.25 in connection with the project work; approving an amount not to exceed \$741,330.00 be made available and

expended from the System's Project Fund for the project work and related construction contingencies; authorizing the Interim President/Chief Executive Officer to execute a construction contract with Austin Engineering, Company, Inc., and to pay Austin Engineering, Company, Inc., an amount not to exceed \$741,330.00 for the project work and related construction contingencies. Located in Council District 9. Total expenditures are: \$741,330.00. (KELLEY NEUMANN – CINDY KOVACIC)

26. A Resolution approving Recapitulation Change Order No. 5 in the decreased amount of \$31,850.14 to the construction contract with Rockin Q Construction, LLC, in connection with the South Area Lift Stations Elimination Project; authorizing the return of funds in the amount of \$31,850.14 and the construction contingency of \$10,000.00 for a total amount of \$41,850.14 to the Project Fund; authorizing the Interim President/Chief Executive Officer to execute Recapitulation Change Order No. 5 and to close the contract. Total decreased amount is: \$41,850.14.
(KELLEY NEUMANN – FRANCES PLOCEK)
27. A Resolution accepting the bid of N. G. Painting, Inc., in the amount of \$475,350.00 for maintenance of water facilities in connection with the 2008 Water Production Facility Painting and Rehabilitation Project- Package II; awarding a construction contract in the amount of \$475,350.00 to N. G. Painting, Inc., for the project work; authorizing the expenditure of funds in an amount not to exceed \$475,350.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$9,500.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$484,850.00 from the System Fund for the project work, and construction contingency expenses; authorizing the Interim President/Chief Executive Officer to execute a contract with N. G. Painting, Inc., and to pay N. G. Painting, Inc., the amount of \$475,350.00 for the project work. Total expenditures are: \$484,850.00.
(KELLEY NEUMANN – ASHOK KAJI)
28. A Resolution accepting the bid of Wiking Demolition Corporation in the amount of \$390,300.00 for the construction of the Odor Control Stations Rehabilitation Project; awarding a construction contract in the amount of \$390,300.00 to Wiking Demolition Corporation for the project work; authorizing the expenditure of funds in the amount of \$390,300.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$20,000.00 in connection with the project work; authorizing total expenditures of funds in an amount not to exceed \$410,300.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the Interim President/Chief Executive Officer to execute a contract with Wiking Demolition Corporation and to pay Wiking Demolition Corporation the amount of \$390,300.00 for the project work. Total expenditures are: \$410,300.00.
(KELLEY NEUMANN – ASHOK KAJI)
- (SBE) 29. A Resolution accepting the bid of Shannon-Monk, Inc., in the amount of \$598,000.00 for the construction of the Rilling Road Spoils Yard Project; awarding a construction contract to Shannon-Monk, Inc., in the amount of \$598,000.00 for the project work; authorizing the expenditure of funds in the amount of \$598,000.00 for the project work; authorizing construction contingency expenses in the amount not to exceed \$12,000.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$610,000.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the Interim President/Chief Executive Officer to execute a contract with Shannon-Monk, Inc., and to pay Shannon-Monk, Inc., the amount of \$598,000.00 for the project work. Total expenditures are: \$610,000.00.
(VAL RUIZ – JESSE GUERRA)

EASEMENTS AND REAL ESTATE

30. A Resolution declaring a public necessity for the acquisition of certain privately owned real property interests in the City of San Antonio, located near the intersection of Prue Road and Bamberger Way in the northwest quadrant of Bexar County, Texas as described hereinbelow (“the property”) by negotiation and/or condemnation, if necessary, for the public purpose of the expansion and operation of the System through the construction of the Prue Road to Bamberger Way 30-Inch Water Transmission Main Project; requesting that the City Council of the City of San Antonio: (i) adopt an Ordinance reaffirming and declaring that the project is for a public purpose and a public necessity exists for the acquisition of the property; (ii) authorize the System to take all appropriate action to acquire the property by negotiation and/or condemnation; (iii) declare that the conveyance of the property shall be to the City of San Antonio for the use and benefit of the System; authorizing the General Counsel and/or designated Special Counsel to file eminent domain proceedings, if necessary; providing and approving funding for the project. (MIKE BRINKMANN– BRUCE HABY)

The property to be acquired consists of permanent and temporary easements as described below:

1.	48,534.0 sq. ft. (permanent) and 60,943.9 sq. ft. (temporary) out of 25.47 acre tract of land being a variable width drainage right of way within the Oaks of French Creek, Unit-2, P.U.D. Subdivision recorded in Volume 9537, Page 219-221, Deed and Plat Records of Bexar County, Texas
2.	41,592.6 sq .ft. (permanent) and 51,983.9 sq. ft. (temporary) out of Lots 87 and 89 Block 19, New City Block 14615, River Mist Subdivision, Unit 4 and 5 recorded in Volume 9570, Pages 114-116, Deed and Plat Records of Bexar County, Texas

31. A Resolution authorizing the Interim President/Chief Executive Officer or his designee to negotiate and execute a Five-Year Lease Agreement with Paul Neuse for the lease of 1,600 square feet of office space at 609 N. Saint Joseph Street, Gonzales, Texas, in connection with the Regional Carrizo Project, with payment of \$17,000.00 for the one time finish out expense and \$15,600.00 annually for rent; authorizing the expenditure from the System Fund of a total amount of \$17,000.00 for the one time finish out cost and an amount not to exceed \$15,600.00 for rent for Fiscal Year 2009, and that expenditures in subsequent fiscal years are pursuant to and contingent upon Board approval of the budgets with a line item for such expenditures; authorizing the Interim President/Chief Executive Officer or his designee to pay Paul Neuse, an amount not to exceed \$95,000.00 for finish out and rent in accordance with the terms of the Lease Agreement. Total expenditures are: \$17,000.00 for the one time finish out expense and not to exceed \$15,600.00 annually for rent plus utility expenses.
(KELLEY NEUMANN – CALVIN FINCH)

INFORMATION SERVICES ITEMS

32. A Resolution authorizing payment to Software House International (SHI)-Government Solutions, Inc., in a total amount not to exceed \$524,885.00 for a Microsoft Full Platform Enterprise Agreement and add-on software; authorizing that \$230,160.00 of this total amount be expended from the System Fund for desktop licenses and additional products acquired during Fiscal Year 2008 under the first year of a three-year Agreement; authorizing that \$294,725.00 of this total amount be

expended from the 2008 Fiscal Year System Fund for the Microsoft Full Platform Enterprise Agreement under the second year of a three-year Agreement with SHI-Government Solutions, Inc.; authorizing the Interim President/Chief Executive Officer or his designee to pay (SHI)-Government Solutions, Inc., an amount not to exceed \$230,160.00 for the Fiscal Year 2008 costs for related software; authorizing the Interim President/Chief Executive Officer or his designee to execute the second year of a three-year Agreement with (SHI)-Government Solutions, Inc., for the Microsoft Full Platform Enterprise Agreement and to pay (SHI)-Government Solutions, Inc., an amount not to exceed \$294,725.00 for the Microsoft Full Platform Enterprise Agreement directing the staff of the System to return to the Board of Trustees for authorization of payment of funds for the third year of the three year Agreement. Total expenditures are: \$524,885.00.
(DOUG EVANSON - JOE SAMPLES)

33. A Resolution accepting the proposal of and awarding a contract in an amount not to exceed \$140,000.00 per year to the Office Communications Systems, Inc., – a Toshiba Company (OCS) for the lease of the fax/copy/print/scan (multifunctional) equipment and related services for use at SAWS’ facilities from November 2008 to October 2011; authorizing the expenditures for such services for Fiscal Year 2008 from the System Fund, and that expenditures for subsequent years are pursuant to and contingent upon the Boards approval of the budgets for those years with a line item for such expenditures; authorizing the Interim President/Chief Executive Officer or his designated representative to execute a contract with Office Communications Systems, Inc., – a Toshiba Company (OCS) and to pay the Office Communications Systems, Inc., – a Toshiba Company (OCS) an amount not to exceed \$140,000.00 per year for such services. Total expenditures are: \$140,000.00 per year.
(DOUG EVANSON - JOE SAMPLES)

HUMAN RESOURCES ITEMS

34. A Resolution accepting the proposal of and awarding a contract to Argus Services Corporation for workers’ compensation medical cost containment services for the period of January 1, 2009 through December 31, 2011 with three successive one-year term extensions; authorizing expenditures in a total amount not to exceed \$100,000.00 from Fiscal Year 2009 through 2011 pursuant to and contingent upon Board approval of the 2009 and subsequent years budgets with a line item for such expenditures; authorizing the Interim President/Chief Executive Officer or his designee to further negotiate and execute a contract and all related documents with Argus Services Corporation for workers’ compensation medical cost containment services from January 1, 2009 through December 31, 2011 and to pay Argus Services Corporation an amount not to exceed \$100,000.00 from Fiscal Year 2009 through Fiscal Year 2011. Total expenditures are: \$100,000.00. (JERRY BAILEY – NEIRA WHITE)
35. A Resolution authorizing a three-month contract extension with Alamo City Medical Group to provide medical services and treatment provider from January 1, 2009 through March 31, 2009; authorizing additional funds in an amount not to exceed \$40,000.00 for Fiscal Year 2009 pursuant to and contingent upon Board approval of the 2009 budget with a line item for such expenditures; authorizing the Interim President/Chief Executive Officer to execute a three-month contract extension with Alamo City Medical Group and to pay Alamo City Medical Group an additional amount not to exceed \$40,000.00 for medical services and treatment provider from January 1, 2009 through March 31, 2009. Total expenditures are: \$40,000.00.
(JERRY BAILEY – NEIRA WHITE)

MISCELLANEOUS ITEMS

- (MWB) 36. A Resolution accepting the bid of Horizon Technology Inc., in the amount of \$93,809.50, for the purchase of two automated extraction systems, speed vap III evaporator unit and solvent recovery system; awarding a contract to Horizon Technology Inc., in the amount of \$93,809.50, in connection with the purchase of two automated extraction systems, speed vap III evaporator unit and solvent recovery; authorizing the expenditure of funds in the amount of \$93,809.50 for the purchase of two automated extraction systems, speed vap III evaporator unit and solvent recovery system; authorizing the total expenditures in an amount not to exceed \$93,809.50 from the System's Capital Outlay Project Fund for the purchase of two automated extraction systems, speed vap III evaporator unit and solvent recovery system; authorizing the Interim President/Chief Executive Officer or his designated representative to execute a contract with Horizon Technology Inc., and to pay Horizon Technology Inc., the amount of \$93,809.50 for the purchase of the two automated extraction systems, speed vap III evaporator unit and solvent recovery system. Total expenditures are: \$93,809.50. (MIKE BRINKMANN– MIKE BERNARD)
37. A Resolution rescinding the existing Interlocal Agreement and approving a new Interlocal Agreement between the San Antonio Water System and the City of Alamo Heights for water meter services; authorizing the Interim President/Chief Executive Officer to execute the new Interlocal Agreement in its final form and to take the steps necessary to implement the Interlocal Agreement.
(GREG FLORES – STACEY ISENBERG)

ITEMS FOR INDIVIDUAL CONSIDERATION

MISCELLANEOUS ITEMS

38. RESERVED
39. A Resolution approving the Internal Audit Charter; further directing that the Internal Audit Department implement the Internal Audit Charter.
(DORA ANN VERDE)
40. A Resolution approving the Internal Audit Reporting Protocol; further directing that the Internal Audit Department implement the Internal Audit Reporting Protocol.
(DORA ANN VERDE)

WATER RESOURCES ITEMS

41. A Resolution authorizing the Interim President/Chief Executive Officer or his designee to amend a Cooperative Agreement with the University of Texas at San Antonio Center for Water Research; approving expenditures through the end of Calendar Year 2009 in an amount not to exceed \$150,000.00; authorizing that expenditures in an amount not to exceed \$150,000.00 for Calendar Year 2009 are pursuant to and contingent upon Board approval of the 2009 budget with a line item for such expenditures; authorizing the Interim President/Chief Executive Officer or his designee to pay the University of Texas at San Antonio Center for Water Research an amount not to exceed \$150,000.00 under the terms of the amended Cooperative Agreement. Total expenditures are: \$150,000.00.
(KELLEY NEUMANN – GARY GUY)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Production, Transmission and Treatment Improvements

42. A Resolution accepting the bid of Pepper Lawson Construction LP, in the amount of \$21,984,000.00 for the construction of the Leon Creek Water Recycling Center Improvements Project; awarding a construction contract in the amount of \$21,984,000.00 to Pepper Lawson Construction LP, for the project work; authorizing the expenditure of funds in the amount of \$21,984,000.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$440,000.00 in connection with the project work; authorizing total expenditures of funds in an amount not to exceed \$22,424,000.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the Interim President/Chief Executive Officer to execute a contract with Pepper Lawson Construction LP, and to pay Pepper Lawson Construction LP, the amount of \$21,984,000.00 for the project work. Total expenditures are: \$22,424,000.00. (KELLEY NEUMANN – ASHOK KAJI)
43. A Resolution accepting the bid of Holloman Corporation, in the amount of \$5,421,168.00 for the construction of the Wayland Ground Storage Tank Project; awarding a construction contract in the amount of \$5,421,168.00 to Holloman Corporation, for the project work; authorizing the expenditure of funds in an amount not to exceed \$5,421,168.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$110,000.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$5,531,168.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the Interim President/Chief Executive Officer or his authorized representative to execute a contract with Holloman Corporation, and to pay Holloman Corporation, the amount of \$5,421,168.00 for the project work. Total expenditures are: \$5,531,168.00. (KELLEY NEUMANN – ASHOK KAJI)
44. A Resolution accepting the bid of Landmark Structures 1 LP, in the amount of \$4,775,000.00 for the construction of the Babcock Elevated Storage Tank Project; awarding a construction contract in the amount of \$4,775,000.00 to Landmark Structures 1 LP, for the project work; authorizing the expenditure of funds in an amount not to exceed \$4,775,000.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$95,500.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$4,870,000.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the Interim President/Chief Executive Officer or his authorized representative to execute a contract with Landmark Structures 1 LP, and to pay Landmark Structures 1 LP, the amount of \$4,775,000.00 for the project work. Total expenditures are: \$4,870,000.00. (KELLEY NEUMANN – ASHOK KAJI)
45. A Resolution accepting the bid of Cash Construction Company in the amount of \$3,618,680.00 for the construction of the Prue Road to Bamberger Way 30-Inch Water Transmission Main Project; awarding a construction contract in the amount of \$3,618,680.00 to Cash Construction Company for the project work; authorizing the expenditure of funds in an amount not to exceed \$3,618,680.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$72,500.00 in connection with the project work; authorizing total expenditures in an amount not to exceed \$3,691,180.00 from the System's Project Fund for the project work and

construction contingency expenses; authorizing the Interim President/Chief Executive Officer or his authorized representative to execute a contract with Cash Construction Company and to pay Cash Construction Company the amount of \$3,618,680.00 for the project work. Total expenditures are: \$3,691,180.00.
(KELLEY NEUMANN – ASHOK KAJI)

46. BRIEFING SESSION

- A. Briefing and Deliberation regarding the SAWS' Small, Minority, and Woman Business Program outreach efforts for the Third Quarter 2008.
(FRANK STENGER-CASTRO - RUBEN SAENZ)
- B. Briefing and Deliberation regarding the State Legislative Agenda for the 2009 81st Legislative Session. (GREG FLORES – DONOVAN BURTON)
- C. Briefing and Deliberation regarding the Municipal Market.
(DOUG EVANSON)

47. Interim President/Chief Executive Officer's Report. Presentation of and deliberation on the following items:

- A. Water Resources
- B. Planning and Operations
- C. Regional and Local Outreach

48. Inquiries.

49. The Regular Session of the November 4, 2008, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Sections 551.071, 551.072, 551.073, and 551.074 of the Texas Open Meetings Act.

50. EXECUTIVE SESSION.

- A. Consultation with attorneys and deliberation regarding the appointment, employment, reassignment, duties, discipline, or dismissal of a public officer or employee. (FRANK STENGER-CASTRO – BILL CROW)
- B. Consultation with attorneys and deliberation regarding potential litigation relating to matters in connection with wastewater permit compliance issues.
(FRANK STENGER-CASTRO)
- C. Consultation with attorneys and deliberation regarding Civil Action No. SA-06-CA-0477RF; *Roland Velez Reyes v. San Antonio Water System*, In the United States District Court for the Western District of Texas, San Antonio Division.
(FRANK STENGER-CASTRO - BILL CROW)
- D. Consultation with attorneys for the San Antonio Water System and its Board of Trustees, and consideration of matters in which the duty of the attorney to the San Antonio Water System and its Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of the Texas Open Meetings Act.
(FRANK STENGER-CASTRO)

51. **The Regular Session of the Regular Board Meeting of November 4, 2008, is hereby reconvened.**

52. **BUDGET WORKSHOP SESSION:**
 - A. **Briefing and deliberation regarding the annual budget for the San Antonio Water System for the Fiscal Year beginning January 1, 2009, and ending December 31, 2009.**

53. **Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF NOVEMBER 4, 2008, IS HEREBY ADJOURNED.**