

AGENDA
MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
Tuesday, January 6, 2009, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. 281 North
San Antonio, Texas

1. **MEETING CALLED TO ORDER.**
2. **Announcements.**
 - A. **The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.**
3. **Minutes.**
 - A. **Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Meeting of December 2, 2008.**
 - B. **Approval of the Minutes of the San Antonio Water System Board of Trustees Special Meeting/ Budget Workshop of November 24, 2008.**
4. **Ceremonial Items.**

No Items for this Meeting.

ITEMS FOR INDIVIDUAL CONSIDERATION

5. **A Resolution approving an amendment to the Bylaws for the Citizens Advisory Panel. (KELLEY NEUMANN – CALVIN FINCH)**
6. **A Resolution authorizing the appointment of new members to the Citizens Advisory Panel for a term of two-years and a Chairperson for a one-year term beginning 2009; authorizing the Chairman of the San Antonio Water System Board of Trustees to appoint members of the Citizens Advisory Panel for a term of two-years and a Chairperson for the Calendar Year 2009. (KELLEY NEUMANN – CALVIN FINCH)**
7. **Briefing and deliberation regarding the Citizens' Advisory Panel Benchmarking for the Recharge Program. (THE HONORABLE HOWARD PEAK, CAP CHAIRMAN)**

SAN ANTONIO WATER SYSTEM
HANDICAPPED ACCESSIBILITY STATEMENT

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

8. **A Resolution reappointing Ian Wellborn as the Chairperson of the 2009 Community Conservation Committee for a one-year term expiring December 31, 2009; appointing the Community Conservation Committee's new members for a two-year term expiring December 31, 2010; and reappointing returning members for a term ending no later than December 31, 2009. (KELLEY NEUMANN – KAREN GUZ)**
9. **Briefing and deliberation regarding the 2008 accomplishments of the Community Conservation Committee. (IAN WELLBORN, CCC CHAIRMAN)**
10. **A Resolution determining the need to update the Aquifer Management Plan in Chapter 34, Article IV, Division 4, of the City Code; recommending that the City Council of the City of San Antonio adopt such adjustments and amend Chapter 34 of the City Code accordingly; directing that a full report of the basis for such adjustments be submitted to the City Council; authorizing the implementation of such adjustments if adopted by the City Council. (KELLEY NEUMANN – KAREN GUZ)**
11. **Citizens to be Heard.**
12. **Board of Trustees - Committee Reports. Presentation of and deliberation on the following Committee Reports:**
 - A. **Audit and Finance Committee.**
 1. **2008 Strategic Audit Plan, Audit of Accounts Payable and Disbursements, and Risk Assessment and Proposed 2009 Internal Audit Plan**
 2. **Park Pearson Contract**
 3. **November 2008 Financial Results, the System's 2009 Budget, Calculation of the 2009 EAA Fess, and Debt Related Matters**
 - B. **Planning and Operations Committee.**
 1. **2009 Legal Services and New Letters of Engagement**
 2. **Revisions to the Utility Service Regulations**
 3. **Medical Audit Consultants Contract Extension**
 - C. **Water Resources Committee.**
 1. **USGS San Marcos Spring Study**
 2. **CAP Recharge Program Benchmarking**
 3. **CAP By-Laws Amendment**
 4. **CAP Membership Appointments**
 5. **Updating the Aquifer Management Plan**
 6. **2009 Legal Services and New Letters of Engagement**

CONSENT AGENDA ITEMS

Items 13– 28

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

13. **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 Environmental Improvements Inc., to provide: Purchase of Centrifugal Replacement Blower Assembly, Bid No. 08-8077, for a total of \$129,500.00. (This contract will be utilized for the purchase of a Centrifugal Replacement Blower Assembly for the Dos Rios Water Recycling Center.)**
- B. Award of Annual Service and Supply Contracts. Estimated annual purchases are based on unit prices bid. Actual totals may vary from estimate.**
- 1. Acceptance of the bid of US Peroxide, LLC to provide: 50% Hydrogen Peroxide Solution, Bid No. 08-0421, for a total of \$310,080.00. (This contract will be utilized for the purchase of 50% Hydrogen Peroxide Solution to treat sewage delivered by waste haulers and to treat transferred sludge. This contract is awarded based upon firm pricing for three (3) months, with price revisions, upward or downward, every three (3) months thereafter, subject to SAWS approval; for initial one year (1) year period, based upon NYMEX Henry Hub Natural Gas pricing Index in addition to producer price increases. This contract will be effective Date of Award (January 6, 2009) through December 31, 2009.)**
 - 2. Acceptance of the bid of Southern Tire Mart to provide: Tire & Tube Repair and Services, Bid No. 05-3120, for a total of \$450,000.00. (This contract will be utilized for the purchase of new tires, tubes, and accessories. Service to include fleet checks, all repair services and disposal of old tires for all vehicles and industrial equipment of all types as required by Equipment Maintenance for all SAWS facilities. Southern Tire has performed well during the contract period. This contract extension will be effective Date of Award (January 6, 2009) through December 31, 2009.)**
 - 3. Acceptance of the bid of The Home Depot to provide: Purchase of Maintenance, Repair and Operations Products (US Communities Government Purchasing Alliance), Bid No. 08-8078, for a total of \$50,000.00. (This contract will be utilized for the purchase of miscellaneous construction related items such as lumber, nails, screws, etc. not covered by other contracts. Various departments' field personnel will use this contract for needed items which will prevent them from having to return to their service center. This contract will be effective Date of Award (January 6, 2009) 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.

1. Acceptance of the bid of Kinloch Equipment & Supply, Inc to provide: Sewer Maintenance Equipment Parts and Services, Bid No. 08-0159A, for a total of \$90,000.00. (This contract will be utilized for the purchase of Sewer Maintenance Parts and Service to update and repair sewer pressure cleaners and vacuum sewer vehicles. This contract will be effective Date of Award (January 6, 2009) through December 31, 2010.)
2. Acceptance of the bid of Quality Fasteners to provide: Fasteners, Stainless Steel, Bolts, Screws, Anchors & Rivets, Bid No. 08-5043, for a total of \$134,029.24. (This contract will be utilized for the purchase of fasteners, stainless steel, bolts, screws, anchors and rivets on an as needed basis. This contract will be effective Date of Award (January 6, 2009) through December 31, 2010.)
3. Acceptance of the bid of American Facility Services, to provide: "Best Value" Bid for Janitorial Services, Bid No. 08-6032, for a total of \$499,224.00. (This contract will be utilized to perform all janitorial services, including routine and project work, for SAWS Corporate Offices. Services will include two buildings, Administrative and Customer Care Center. This contract will be effective Date of Award (January 6, 2009) through December 31, 2011.)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

14. 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 | Air Force Village II | Air Force Village Foundation, Inc. | 290.8 | BM | 945 | AC | Outside | Applied For |
| Totals | | | <u>291</u> | <u>0</u> | <u>945</u> | | | |
| Year-to-Date Totals (January 2009) | | | <u>291</u> | <u>0</u> | <u>945</u> | | | |

15. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below which are located over the Edwards Aquifer Recharge or Contributing Zone and 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 | Frost National Bank | Frost National Bank of San Antonio | 7.1 | 20 | 20 | EARZ | Outside | Outside |
| 2 | The Place at Babcock Hausman | The Place Commercial Real Estate | 2.31 | 7 | 5 | EARZ | Inside | Inside |
| 3 | The Vineyards V | Loop 1604 Group | 4.31 | 0 | 54 | EARZ | Outside | Applied for |
| Totals | | | <u>14</u> | <u>27</u> | <u>79</u> | | | |
| Year-to-Date Totals (January 2009) | | | <u>14</u> | <u>27</u> | <u>79</u> | | | |

Professional Services

16. A Resolution accepting the proposal of Black and Veatch, in an amount not to exceed \$200,000.00 for professional services for the 2008 Water Infrastructure Plan; awarding a contract to Black and Veatch, in an amount not to exceed \$200,000.00 for the 2008 Water Infrastructure Plan; authorizing expenditures in an amount not to exceed \$200,000.00 from the Project Fund for the professional services in connection with the project work; authorizing the interim President/Chief Executive Officer to execute the professional services contract with Black and Veatch, and to pay Black and Veatch, an amount not to exceed \$200,000.00 for the professional services. Total expenditures are: \$200,000.00. (KELLEY NEUMANN – SAM MILLS)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

17. A Resolution amending Resolution No. 08-091, as previously amended by Resolution No. 08-243, by approving the expenditure of additional funds in an amount not to exceed \$515,574.83 payable to Bexar County for additional construction contingency expenses in connection with the F.M. 3487 (Culebra Road): Loop 410 to F.M. 471 (Grissom) Road Project; approving an additional amount not to exceed \$515,574.83 be made available and expended from the System's Project Fund for additional construction contingency expenses; ratifying the actions of the senior Vice President of Strategic Resources in approving Change Order No. 2 in the amount of \$515,574.83; authorizing the President/Chief Executive Officer to pay to Bexar County an additional amount not to exceed \$515,574.83 for the additional project work and additional construction contingency expenses. Located in Council District 6. Total expenditures are: \$515,574.83 for a revised contract amount of \$3,227,868.60. (KELLEY NEUMANN – CINDY KOVACIC)
18. A Resolution amending Resolution No. 07-238 by approving the expenditure of additional funds in the amount of \$186,038.78 for the adjustment of water and sewer facilities by Bexar County in connection with the Shaenfield Road: Loop 1604 To F.M. 1560 Project; approving additional construction contingency expenses in an amount not to exceed \$18,603.88 for the project work; approving an additional amount not to exceed \$104,344.11 be made available and expended from the System's Project Fund for the additional sewer project work and related contingencies; approving an additional amount not to exceed \$100,298.55 be made available and expended from the System's

Project Fund for the additional water project work and related contingencies; authorizing the President/Chief Executive Officer to pay an additional amount not to exceed \$204,642.66 to Bexar County for the project work and related construction contingencies. Total expenditures are: \$204,642.66 for a revised contract amount of \$564,642.66. (KELLEY NEUMANN – CINDY KOVACIC)

WATER RESOURCES PROJECTS

Professional Services

19. A Resolution further amending Resolution No. 06-155, as previously amended by Resolution No. 08-040, authorizing additional engineering services to the existing professional services contract with CH2M Hill, Inc., in an amount not to exceed \$50,950.00, which includes \$30,910.00 for additional engineering services and \$20,040.00 for supplemental services in connection with the Local Carrizo Program Well Drilling and Well Field Project; approving additional expenditures for a total authorization not to exceed \$50,950.00; approving the expenditure of funds in an amount not to exceed \$50,950.00 from the System's Project Fund for additional engineering services and supplemental services; authorizing the President/Chief Executive Officer to execute an Amendment to the existing professional services agreement with CH2M Hill, Inc., and to pay CH2M Hill, Inc., an additional amount not to exceed \$50,950.00 for additional engineering services and supplemental services. Total expenditures are: \$50,950.00 for a revised contract amount of \$1,876,519.00.
(KELLEY NEUMANN –ESTHER HARRAH)

MISCELLANEOUS PROJECTS

20. A Resolution accepting the bid of J. A. Plumbing, Inc., in the amount of \$818,000.00 for the construction of the Hemisfair Park Condensate Return Line Replacement Project; awarding a construction contract in the amount of \$818,000.00 to J. A. Plumbing, Inc., for the project work; authorizing the expenditure of funds in the amount of \$818,000.00 for the project work; authorizing construction contingency expenses in an amount not to exceed \$16,360.00 in connection with the project work; authorizing total expenditures of funds in an amount not to exceed \$834,360.00 from the System's Project Fund for the project work and construction contingency expenses; authorizing the President/Chief Executive Officer to execute a contract with J. A. Plumbing, Inc., and to pay J. A. Plumbing, Inc., the amount of \$818,000.00 for the project work. Total expenditures are: \$834,360.00. (KELLEY NEUMANN –ASHOK KAJI)
21. A Resolution approving the first one-year contract renewal option with Ace Pipe Cleaning, Inc., in an amount not to exceed \$500,000.00 in connection with the Large Diameter Sanitary Sewer Cleaning and Inspection Contract Project; approving the expenditure of funds in an amount not to exceed \$500,000.00 from the System's Project Fund for the one-year contract renewal in connection with the project work; authorizing the President/Chief Executive Officer or his designated representative to execute a one-year contract renewal with Ace Pipe Cleaning, Inc., and to pay Ace Pipe Cleaning, Inc., an amount not to exceed \$500,000.00 for the project work. Total expenditures are: \$500,000.00. (VAL RUIZ – JEFF BROWN)

Professional Services

22. A Resolution ratifying the actions of the Senior Vice-President of Strategic Resources by authorizing additional work under an existing professional engineering services contract with Civil Engineering Consultants and increasing the contract by \$28,009.63 in connection with the Lift Station No. 187 Project; amending Resolution No. 06-162 by

authorizing the additional work in the amount of \$28,009.63 from the System's Project Fund; authorizing the President/Chief Executive Officer to execute an Amendment to the professional engineering services contract with Civil Engineering Consultants, and to pay Civil Engineering Consultants the amount of \$28,009.63 for additional engineering services in connection with this project. Total expenditures are: \$28,009.63 for a revised contract amount of \$432,983.08. (KELLEY NEUMANN – ASHOK KAJI)

EASEMENTS AND REAL ESTATE

23. 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 US Hwy 90 and Frontier Drive and ending at US Hwy 90 and Colt Drive in the southwest quadrant of Bexar County, Texas as described hereinbelow by negotiation and/or condemnation, if necessary, for the public purpose of the expansion and operation of the System through the construction of the Lackland Terrace Water and Sewer Main Replacement, Phase I 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:

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| 1. | 717 sq. ft., 1,190 sq. ft., 17,134 sq. ft., out of 11.015 acre tract out of NCB 15550, City of San Antonio, Bexar County, Texas, including that portion platted and described as Lot 13, Block 2, NCB 15550, Lackland Plaza Flower Shop Subdivision, according to plat thereof recorded in Volume 7900, Page 29, of the Deed and Plat Records of Bexar County, Texas. |
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HUMAN RESOURCES ITEMS

24. A Resolution authorizing a six month contract extension with an option to extend for an additional six month term with Medical Audit Consultants, Inc., to provide medical cost containment services from January 1, 2009 through June 30, 2009; authorizing the expenditure of additional funds in an amount not to exceed \$12,500.00 from the System Fund for Fiscal Year 2009; authorizing the President/Chief Executive Officer to execute a six month contract extension with an option to extend for an additional six month term with Medical Audit Consultants, Inc., and to pay Medical Audit Consultants, Inc., an additional amount not to exceed \$12,500.00 for medical cost containment services provider from January 1, 2009 through June 30, 2009. Total expenditures are: \$12,500.00. (JERRY BAILEY – NEIRA SOUTH)

MISCELLANEOUS ITEMS

25. A Resolution authorizing the expenditure of the amount of \$12,000.00 from the System Fund for Park E. Pearson, CPA to act as Special Audit Consultant to the Board for the 2009 Calendar Year; granting authority to execute a consulting services agreement for the retention of Park E. Pearson's auditing services. Total expenditures are: \$12,000.00 for a revised contract amount of \$152,000.00. (MICHAEL W. LACKEY)

26. **A Resolution amending Resolution No. 08-017 by approving and ratifying the payment of additional funds in an amount not to exceed \$51,750.00 to Ruben Barrera of the law firm of Bracewell & Giuliani LLP, for additional legal services as Special Counsel to the Board for the 2008 Calendar Year; authorizing and ratifying the additional expenditure and payment of funds to Ruben Barrera of the law firm of Bracewell & Giuliani LLP in an additional amount not to exceed \$51,750.00 for those additional legal services for the 2008 Calendar Year from the System Fund; ratifying the action of the President/Chief Executive Officer or his designee in paying Ruben Barrera the additional amount not to exceed \$51,750.00 for the additional legal services requested by the Board of Trustees for the 2008 Calendar Year. Total expenditures are: \$51,750.00 for a revised contract amount of \$161,750.00. (CHAIRMAN BRISEÑO)**
27. **A Resolution authorizing the expenditure of an amount not to exceed \$27,500.00 from the System Fund for Ruben Barrera of the law firm of Bracewell & Giuliani, LLP, to act as Special Counsel to the Board for a period not to exceed the first 3 months of the 2009 Calendar Year; granting authority to execute a Letter of Engagement for the retention of Ruben Barrera's legal services; authorizing the Chairman to negotiate and execute a new Letter of Engagement for the remainder of 2009. Total expenditures are: \$27,500.00. (CHAIRMAN BRISEÑO)**
28. **A Resolution accepting the proposal of and awarding a contract to Bracewell and Giuliani, LLP for federal legislative services for a two year period from January 6, 2009 until January 6, 2011, in an amount not to exceed \$180,000.00 per year with the option of a two year contract extension; authorizing an amount not to exceed \$180,000.00 for Fiscal Year 2009 to be made available from the System Fund for federal legislative services, and that future years expenditures shall be pursuant to and contingent upon the appropriations made in the annual budgets approved by the Board with a line item for such expenditures; authorizing the President/Chief Executive Officer or his designee to execute a two year contract with Bracewell and Giuliani, LLP with the option of a two year contract extensions and to pay Bracewell and Giuliani, LLP a total amount not to exceed \$180,000.00 in Fiscal Year 2009. Total expenditures are: \$180,000.00 per year. (GREG FLORES – BILLY PECHE)**

ITEMS FOR INDIVIDUAL CONSIDERATION

MISCELLANEOUS ITEMS

29. **A Resolution authorizing the President/Chief Executive Officer at the recommendation of the General Counsel to continue or negotiate new Letters of Engagement, as appropriate, with firms currently providing legal services to the San Antonio Water System; further authorizing the President/Chief Executive Officer at the recommendation of the General Counsel to negotiate Letters of Engagement with additional firms whose legal services would be beneficial to the System; authorizing the expenditure of an amount not to exceed \$2,000,000 for Calendar Year 2008 from the System Fund for legal services provided for the operation and maintenance of the System; additionally, authorizing the expenditure of \$1,875,000 for legal services related to capitalized projects; directing the President/Chief Executive Officer at the recommendation of the General Counsel to establish certain criteria and requirements in the negotiation and execution of Letters of Engagement; directing the General Counsel to supply the Board with quarterly reports detailing the types of legal services being provided to the System and the cost of providing same. Total expenditures are: \$3,875,000.00. (FRANK STENGER-CASTRO)**

30. A Resolution approving the annual Internal Audit Plan for 2009; further directing that the Internal Audit Department to implement the Plan.
(DORA ANN VERDE)
- 30A. A Resolution authorizing the President/Chief Executive Officer or his designated representative to negotiate and execute an Agreement to purchase all the water service assets of the Forest Glen Utility Company, Inc., including, its Certificate of Convenience and Necessity, real and personal property, infrastructure and owned or leased water rights for an amount not to exceed \$1,250,000.00; requiring a reasonable due diligence period to examine and confirm the assets of the Forest Glen Utility; directing the staff to return to the Board of Trustees for final authorization to purchase the water system and appropriate funds therefore. Total future expenditures are: \$1,250,000.00. (ROBERT PUENTE)

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

31. A Resolution approving revisions to the existing Utility Service Regulations to incorporate clarifications and updates relating to fire and irrigation lines crossing property lines, pump and haul operations over the Edwards Aquifer Recharge Zone, the effective date for Texas Commission on Environmental Quality design criteria for sewerage systems, pipe thickness specifications to reflect changes in System construction specifications, pro-rata collection and refunds for main extension charges, and charge schedules to reflect the changes to the pro-rata main extensions.
(KELLEY NEUMANN – SAM MILLS)

Professional Services

32. A Resolution accepting the proposal of and awarding a professional services contract to Weston Solutions, Inc., in an amount not to exceed \$2,414,993.00 in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project; approving the expenditure of funds in an amount not to exceed \$2,414,993.00 from the System's Project Fund for the project engineering work; authorizing the President/Chief Executive Officer to execute a professional services contract with Weston Solutions, Inc., and to pay Weston Solutions, Inc., an amount not to exceed \$2,414,993.00 for the project engineering work. Total expenditures are: \$2,414,993.00.
(KELLEY NEUMANN – FRANCES PLOCEK)

MISCELLANEOUS PROJECTS

- (SBE) 33. A Resolution approving an extension to an annual service contract with Peerless Equipment, Ltd., in an amount not to exceed \$1,700,000.00 to execute and complete well maintenance and plugging in areas designated by SAWS for the period January, 2009 to December, 2009, with the option for two additional one year extensions; authorizing the expenditure of funds for Fiscal Year 2009 from the System Fund; authorizing expenditures for future fiscal years to be made available pursuant to and contingent upon Board approval of future budgets with a line item for such expenditures; authorizing the President/Chief Executive Officer or his designated representative to execute an extension to an annual service contract with Peerless, Equipment, Ltd., and to pay Peerless, Equipment, Ltd., an amount not to exceed \$1,700,000.00 to execute and complete well maintenance and plugging services for the period January, 2009 to

December, 2009 with the option of two one-year extensions. Total expenditures are: \$1,700,000.00. (STEVE CLOUSE – PHIL COOK)

34. A Resolution approving an extension to an annual service contract with Alfred Conhagen, Inc., of Texas, in an amount not to exceed \$1,057,500.00 to execute and complete pump repair and machining in areas designated by SAWS for the period January, 2009 to December, 2009, with the option of two one-year extensions; authorizing the expenditure of funds for Fiscal Year 2009 from the System Fund; authorizing expenditures for future Fiscal Years to be made available 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 designated representative to execute an extension to an annual service contract with Alfred Conhagen, Inc., of Texas and to pay Alfred Conhagen, Inc., of Texas an amount not to exceed \$1,057,500.00 to execute and complete pump repair and machining services for the period January, 2009 to December, 2009 with the option of two one-year extensions. Total expenditures are: \$1,057,500.00. (STEVE CLOUSE – PHIL COOK)

35. **BRIEFING SESSION.**

- A. Briefing and deliberation regarding the LCRA Board Guidance issues pertaining to the LCRA/SAWS Water Project.
(KELLEY NEUMANN - GARY GUY)
- B. Briefing and deliberation regarding the status and impact of the Federal Stimulus Package on SAWS' infrastructure projects.
(GREG FLORES - BILLY PECHE)

36. Chairman of the Board's Initiative. Presentation of and deliberation on the following items:

No items for this meeting.

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

- A. 2009 Objectives
B. Kinney County USGS Water Balance Study

38. Inquiries.

39. The Regular Session of the January 6, 2009, 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.

40. **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 Cause No. 2006-CI-12816, *San Antonio Water System Board of Trustees, et al v. Turner Collie & Braden, Inc., E. E. Hood & Sons, Inc., et al*, in the 37th District Court of Bexar County, Texas. (FRANK STENGER-CASTRO)
- D. Consultation with attorneys regarding legal issues related to the Applications to the Gonzales County Underground Water Conservation District for Drilling, Production, and Transportation Permits Associated with the Regional Carrizo Water Supply Program. (FRANK STENGER-CASTRO - STEVE KOSUB)
- E. Consultation with attorneys regarding legal issues related to the Definitive Agreement between the San Antonio Water System and the Lower Colorado River Authority. (FRANK STENGER-CASTRO - STEVE KOSUB)
- F. A Resolution approving a Settlement regarding the lawsuit filed in Cause No. 2006-CI-01083; styled *Legan Properties, Ltd., V SAWS, et al*, in the 57th Judicial District Court, Bexar County, Texas. (FRANK STENGER-CASTRO – NANCY BELINSKY)
- G. 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)

- 41. The Regular Session of the Regular Board Meeting of January 6, 2009, is hereby reconvened.
- 42. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JANUARY 6, 2009, IS HEREBY ADJOURNED.