

MINUTES
BEXAR METROPOLITAN WATER DISTRICT
REGULAR BOARD MEETING
2047 W. MALONE, SAN ANTONIO, TEXAS 78225
P.O. BOX 245994, SAN ANTONIO, TEXAS 78224
November 28, 2005

In accordance with Chapter 551 of the Texas Government Code, Vernon's Annotated Civil Statutes, Section 31, the Board of Directors for the BEXAR METROPOLITAN WATER DISTRICT held a **Special Board of Directors Meeting at 5:00 p.m. on the 28th day of November, 2005**, in the Board Room of Bexar Metropolitan Water District, 2047 W. Malone, San Antonio, Texas.

BOARD MEMBERS PRESENT: Victor Villarreal; Lesley Wenger; Jim Clement; James Fenimore; Jose Gallegos; Robert Morin; David Sosa.

STAFF MEMBERS PRESENT: Gil Olivares; Adolfo Ruiz; Diane Pfeil; Mike Albach; Johnnie Terrazas; Jesse Morin; Edna Wigfall-Crute; Steve Sandoval; Laura Stryjewski; Helen Casias; Tasha Morton; Liliana Oranday; Laura Saldivar; Randie Gray.

GUESTS PRESENT: Leonard Gomez; John Pittman, (Williams Scotsman); Felix Miranda; Paula Miranda; Joe Thaxton, (United Water); Terry Conn, (LEC); Kittie Bailey Bade, (BB&B Ent.); Grant Snyder and Jorge Perez (URS); Lee Niles and Jerry Berry, (Pape-Dawson).

PRESS PRESENT: Jerry Needham – *Express-News*.

MINUTES

The open session of this meeting was tape recorded. These minutes are a summary record of the Board's actions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult the audio files at the District's office.

Item 1

Mr. Villarreal called the meeting to order at 5:01 p.m.

Item 2

[Upon motion of Mr. Sosa, seconded by Mr. Clement and passed without opposition, the Board adjourned into Executive Session at 5:02 p.m.]

Item 3. Executive Session Items

The Board reconvened in Open Session at 6:16 p.m. and took the following action regarding discussion in Executive Session.

2 d: Purchase of Real Property for Use as a Well Site and Production Facility

Mr. Clement moved to authorize the General Manager to negotiate a purchase price for real property in northern Bexar County for use as a well site and production facility in the range discussed in Executive Session and to bring a contract to the Board for final approval. The motion was seconded by Ms. Wenger.

Ayes: Villarreal; Wenger; Clement; Fenimore; Sosa; Morin.

Abstentions: Gallegos.

Motion carried.

2 f: To Declare Property Located at 113 W.Castle Lane Surplus

Mr. Villarreal moved to declare property located at 113 W.Castle Lane surplus. The motion was seconded by Ms. Wenger.

Motion carried unanimously.

Item 4: Citizens to Be Heard

Paula Miranda asked the Board to consider purchasing her property located behind the Southcross Paystation. Mr. Villarreal informed Ms. Miranda that the Board cannot respond, but she can contact Mr. Olivares.

Kittie Bailey Bade addressed the Board to complain about BexarMet's recent meter reading change and customer service issues. She apologized for having to bring her issue to the Board and stated that she tried to contact staff members for two weeks with no response. She owns a business on Roosevelt, received a notice of meter change and believes she was overcharged because she was billed \$91.82 twice in November with one bill being for 11 days of service. She can afford to pay the extra fees, but there are other rate payers who cannot. She has been unable to get someone to call her back and explain why her bill was not prorated.

Mr. Villarreal apologized on behalf of the District that Ms.Bade had to come to the Board in order to resolve her issue. He assured her fellow ratepayers to contact their district representative for any issues not being resolved appropriately. Mr. Clement identified himself as Ms. Bade's representative and gave her his card.

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Ms. Wigfall Crute and Ms. Pfeil introduced new BexarMet employees: Laura Stryjewski, Productivity & Efficiency Manager; Randie Gray, Safety Training Coordinator; Laura Saldivar, Administrative Assistant for Safety Department; Ernest DeLeon, Network Administrator and Phillip Hopkins Assistant Network Administrator. Mr. Ruiz introduced Leonard Gomez, Risk Management Coordinator.

ACTION ITEMS

Item 5 a: Resolution in Support of CRWA Projects

Mr. Albach said staff has contractual and/or financial interests in three projects. The Lake Dunlap project is presently providing water to the Northeast and the Wells Ranch and Siesta projects will be coming online in the future. He requested approval of the Resolution so that all three projects can be submitted to the Region L Planning Group that meets on December 1, 2005.

Mr. Fenimore moved to approve the Resolution in support of the Canyon Regional Water Authority (CRWA) projects – Wells Ranch, CRWA Dunlap, and CRWA Siesta – proposed as amendments to the 2001 Region L Regional Water Plan (RWP) and for inclusion in the updated 2006 RWP. The motion was seconded by Mr. Sosa

Motion carried unanimously.

Item 5 b: URS Engineering Contract

Mr. Fenimore moved to authorize the General Manager to contract with URS for engineering services for the design of a water production facility and related infrastructure on a tract in northern Bexar County. The motion was seconded by Mr. Clement.

Motion carried unanimously.

Item 5 c:

[No action taken]

Item 5 d: Freese & Nichols Contract for Staggs Ranch Facility

Mr. Terrazas said the engineering department has designed the facility, but needs expertise to treat the water. Freese & Nichols will determine the proper treatment methods.

Mr. Sosa moved to authorize the General Manager to contract with Freese & Nichols for engineering services for the assessment of the treatment process for Staggs Ranch water production facility. The motion was seconded by Mr. Gallegos.

Motion carried unanimously.

Item 5 e: Purchase of Engineering Scanner

Mr. Olivares said the engineering department needs the scanner for a variety of functions. This item was included in the capital budget which was previously approved by the Board.

Mr. Villarreal moved to ratify the purchase of an engineering scanner identified as VIDAR ATLAS P-42 with software for \$19,240.88 for the engineering department, page 1 line 6, item BE 2001 of the Board Approved Capital Budget. The motion was seconded by Mr. Gallegos.

Motion carried unanimously.

Item 5 f: Interlocal Purchasing Agreement

Mr. Olivares explained the reason for the Interlocal Agreement with the Region IV Education Service Center is that staff needs authorization to join the network to get the best price on construction of the paystation.

Mr. Ruiz added that both the Agreement and a Resolution are required. BexarMet will have no obligations under the Interlocal Agreement but the use of The Cooperative Purchasing Network (TCPN) is an exception to bidding requirements because TCPN makes sure their vendors offer the best available price to municipalities or governmental entities such as BexarMet.

Mr. Sosa asked if Region 20, which is in the local area, provides the same services, and if so, why we didn't approach them.

Mr. Ruiz said he did not know if Region 20 in San Antonio offers the same preferred vendor that is available for the Southside paystation.

Mr. Sosa asked if we have to sign an agreement with Region IV in order to get the new paystation.

Mr. Ruiz answered yes, in order to get the quoted prices.

Mr. Sosa said he does not have a problem with Region IV, but he thinks we should contact Region 20 to find out if they offer the same services.

Mr. Gallegos asked why this item is included as part of the approval for the paystation.

Mr. Olivares said because the vendor we want to use, Williams Scotsman, is under that region.

Mr. Fenimore moved to approve execution of an Interlocal Agreement with Region IV Education Service Center and pass its corresponding Resolution. The motion was seconded by Mr. Clement.

Ayes: Villarreal; Wenger; Clement; Fenimore; Sosa; Morin.

Abstentions: Gallegos.

Motion carried.

Item 5 g: Purchase and Construction of Southcross Paystation

Mr. Olivares said the building was designed by the In-House engineering staff. He introduced John Pittman of Williams Scotsman. Mr. Pittman stated that Williams Scotsman will bid the job to different contractors and get the best possible price, dependability and service. Williams Scotsman will then do a 15% price mark up. Mr. Pittman and the Board members discussed at the proposed price list.

Mr. Morin asked Mr. Pittman if his company hires local San Antonio contractors and Mr. Pittman said they do when they can. Mr. Morin further inquired how many employees would be working on the paystation, and if Williams Scotsman had a San Antonio office. Pittman responded that in addition to a project manager, three to four individuals would be responsible for the project. Their local office is in Selma.

Mr. Morin noted that travel expenses were included in the submitted priced list and wondered what that would constitute if they have a local office. Pittman said travel would be for supervisors coming from Houston who would be staying for 12 to 14 weeks to manage the project. Mr. Morin then asked what the miscellaneous expenses would cover. Pittman said they would cover such items as paperwork, dumpsters, port-a-johns and any other items that are not covered in another group.

Mr. Morin inquired about the roofing material, which appeared to be red, clay tiles. Pittman said they would be using metal tiles which look the same but last longer. Mr. Morin suggested that metal, which would be painted, would fade. Pittman disagreed, adding the color was baked on

Ms. Wenger said, given that high-end homes are currently being built for a lot less in San Antonio, she considered the \$230.00 per square foot estimate to be excessive. She said she had some recent experience with roofing costs and the price quoted for the roof was ridiculous and we need to go back to the drawing board. Mr. Pittman said it wasn't just the roof, there was a lot of other site stuff like the driveway and the concrete in front. He said the Spanish styled roof could be substituted for a cheaper roof. Ms. Wenger said she recently had a Class 4 roof installed—which is a lot higher than the metal-shingled roof we were being quoted—that it was the same number of square feet, and while very expensive, cost only a fraction of the amount listed.

Mr. Sosa asked how long the project would take to complete, if Mr. Pittman had any references the Board could contact, what the life expectancy on this building would be, if any other buildings of this type exist in San Antonio and what other roofing options exist.

Mr. Pittman described other roof options that would save a minimum of \$50,000.00. He stated they are currently constructing a building at Lackland and have completed medical facilities at Camp Bullis and Fort Sam. He said the job would probably be complete in May, June or July of 2006 depending on when the project is initiated. They're using the same materials as a regular building and should last for 30 to 40 years.

Mr. Clement noted that the cost of the building and the roof comprised 72% of the total cost. He asked if we were just buying a box, and if the building did not come pre-wired and pre-plumbed, because electrical and plumbing costs were listed as separate line items. Mr. Pittman said the building would come with plumbing and electrical, the extra line item was to hook them up.

Mr. Clement said he was confused by the total price, versus what we were originally told this project would cost, and that referencing Ms. Wenger's statement about the cost of expensive housing, he wanted to point out that those homes also come with landscaping and paving, which is included in the price.

Mr. Gallegos asked how many people from his company would actually manage the project and out of his staff how many were minorities. Mr. Pittman said they have five non-minority inside people. Mr. Gallegos asked if local contractors would aid in putting the building together. Mr. Pittman said they would hire local contractors such as electricians and plumbers.

Ms. Wenger, Mr. Clement and Mr. Gallegos said they thought the project would cost too much.

Ms. Wenger moved to table item 5g. The motion was seconded by Mr. Clement.

Ayes: Villarreal; Wenger; Clement; Fenimore; Morin.

Nays: Gallegos.

Abstentions: Sosa.

Motion carried.

Item 5 h: Construction of Storage Tank at Talley Road

Mr. Albach said staff is requesting that the Board authorize the General Manager to contract with a Keystone Construction to design and build a ground storage tank at the Chaparral facility on Talley Road. The existing storage tank is deteriorating, no longer meets BexarMet's quality standards and is rapidly approaching the maximum number of connections it can support.

Keystone Construction, was selected through a bidding process, to remove the existing tank and build a new 65,000 gallon storage tank. He also requested authorization for staff to amend the capital improvements budget to move money from B.P.0045.

Ms. Wenger and Mr. Villarreal told Mr. Albach that the Board can vote on the current agenda item, but cannot amend the budget unless it is an item on the agenda. They can, however, amend it at the next meeting.

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Ms. Wenger moved to authorize the General Manager to contract with Keystone Construction to construct a 65,000 gallon ground storage tank for facility #040 for \$111,000.00. The motion was seconded by Mr. Clement.

Mr. Villarreal inquired about the life expectancy of the new storage tank. Mr. Terrazas said 50 years.

Ms. Wenger asked why the tank would be for 65,000 gallons as opposed to more. Mr. Terrazas said 65,000 gallons is all that is needed to meet peak and hourly demands and add more fire protection for the area. Ms. Wenger asked about the growth of the area. Mr. Terrazas said the area is growing, but at a slower rate than other subdivisions.

Mr. Gallegos asked how many customers are going to be affected by the tank. Mr. Terrazas referred the question to Felix Bernal who calculated 426 EDUs.

Mr. Villarreal called for the vote.

Motion carried unanimously.

Item 5 i: Wireless Consulting Services

Mr. Olivares requested the Board table item 5i.

Mr. Gallegos moved to table this item. The motion was seconded by Ms. Wenger.

Motion carried unanimously.

Item 5 j: Contract for Security Guards

Mr. Ruiz said staff recommends VRM Security, which is not the security company BexarMet previously used, but it is within the budget. He requested authorization for the General Manager to negotiate a contract with VRM to bring to the Board for final approval.

Mr. Olivares said this is a sensitive issue because BexarMet operated without a contract for quite some time prior to this administration. He requested the Board enter into a 60 day trial period with VRM to ensure they provide competent and adequate staff for security issues.

Ms. Wenger moved to authorize the General Manager to negotiate a contract with VRM Security and Protection Agency, Inc., with a 60 day trial period. The motion was seconded by Mr. Morin.

Mr. Villarreal offered a friendly amendment to the motion to include approval of the contract. Ms. Wenger accepted the amendment. The motion was seconded by Mr. Morin.

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Mr. Morin asked if our present security company, PSR, submitted a proposal. Mr. Olivares said they did, but were non responsive to both invitations to bid.

Mr. Gallegos asked why Security Manager, Marty Kufus, was not present. Mr. Olivares told him Mr. Kufus took a job with a private security firm. Marty Martinez, who worked for BexarMet as an employee of PSR has been hired as an in-house security guard. Staff is in the process of hiring a replacement for Mr. Kufus.

Mr. Villarreal called for the vote.

Motion carried unanimously.

Item 5 k: Joint Funding Agreement/Water Quality Monitoring

Mr. Albach said we have contracted with U.S. Geological Survey for many years. Staff is requesting renewal of the agreement for a lower amount than charged in previous fiscal years. He has been trying to refine the focus of their work for BexarMet in order to reduce costs. The cost has been reduced from \$122,000.00 in 2003 to the current price of \$76,880.00 and this rate is still sufficient to meet BexarMet's needs. Overall, this is a great deal for BexarMet. Ms. Wenger commended Mr. Albach for saving BexarMet money.

Mr. Villarreal moved to approve the renewal of the Joint Funding Agreement with the U.S. Geological Survey for stream gauging and water quality monitoring in the Medina River Basin for the federal fiscal year beginning October 1, 2005 in the amount of \$76,880.00. The motion was seconded by Ms. Wenger.

Motion carried unanimously.

Item 5 l: Leasing of Vehicles

Mr. Villarreal stated that the Board would be voting for Bank of America to finance vehicle and heavy equipment purchase. Mr. Olivares clarified that the vehicles in question has already been approved by the Board last summer, and that staff was requesting a capital lease with Bank of America as they were the lowest bidder.

Ms. Wenger said she thought we weren't going to borrow any more money and Mr. Olivares explained that this is an \$800,000 impact, we need our cash reserves, and this is a traditional and more intelligent method for purchasing vehicles—to pay for them as they are used, over a period of time.

Mr. Fenimore moved to approve a resolution for Bank of America to act as the funding source for a capital lease program to facilitate the purchase of various vehicles and heavy equipment. The motion was seconded by Mr. Villarreal.

Ayes: Villarreal; Wenger; Clement; Fenimore; Sosa; Morin.

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Abstentions: Gallegos.

Motion carried.

Item 5 m: Designation of Authorized Signatories

Jesse Morin explained this is merely a housekeeping issue. The Local Government Investment Co-op (LOGIC) changed investment administrators and is now requiring BexarMet to sign new authorized signers and pass a resolution to approve it. The new signatories are Gil Olivares, Adolfo Ruiz and Jesse Morin.

Ms. Wenger moved to execute a resolution for the designation of authorized signatories for the Local Government Investment Cooperative (LOGIC). The motion was seconded by Mr. Clement.

Motion carried unanimously.

Item 6. CONSENT ITEMS

Mr. Olivares requested item 6d be pulled from the consent items to be discussed separately.

Ms. Wenger moved to approve consent items 6a-c and 6e-h. The motion was seconded by Mr. Clement.

Motion carried unanimously.

Item 6 d: Proposed 2006 BexarMet Holiday Schedule

Mr. Olivares stated the 2006 BexarMet Holiday schedule was amended as follows: Columbus Day and Veteran's Day were added to the list and Cesar Chavez Day and Good Friday were removed. The reason for the substitutions was because employees requested holidays on the same days their children get off from school.

Mr. Sosa thanked staff for including Veteran's Day in the list.

Mr. Gallegos thanked staff for adding Veteran's Day and asked why Cesar Chavez Day was removed rather than another Holiday. Mr. Olivares explained that the list contains Holidays employees preferred.

Ms. Wenger moved to approve the 2006 BexarMet Holiday schedule with the substitutions. The motion was seconded by Mr. Clement.

Ayes: Villarreal; Wenger; Clement; Fenimore; Sosa; Morin.

Nays: Gallegos.

Motion carried.

Item 7 a: Minutes for October 5, 2005

Ms. Wenger moved to approve the minutes with the corrections she submitted to Mr. Ruiz. The motion was seconded by Mr. Clement.

Motion carried unanimously.

Item 7 b: Minutes for October 19, 2005

Ms. Wenger moved to approve the minutes with the corrections she submitted to Mr. Ruiz. The motion was seconded by Mr. Clement.

Motion carried unanimously.

Item 8. REPORT ITEMS

[There was no discussion on items 8 a-b and 8 d-e.]

Item 8 c: Top 25 Delinquent Accounts

Mr. Olivares and Mr. Jesse Morin explained the report to the Board. Ms. Wenger asked why the delinquent accounts report showed an account that was no longer delinquent. Mr. Morin explained that there were two reports, one being the delinquent accounts for the beginning of November and the other being an update that was prepared on November 21st. Mr. Gallegos asked that residential and commercial delinquencies be separated in future reports. Staff agreed to prepare reports for the top 25 in each category in future Board packets.

Item 9

Mr. Villarreal moved that the next Board meeting be held on Wednesday, December 21, 2005, Executive Session to be held at 5:00 p.m. and Open Session at 6:00 p.m. The motion was seconded by Ms. Wenger.

Motion carried unanimously.

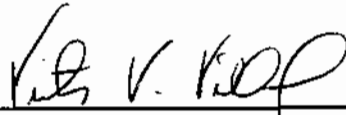
Item 10

Mr. Gallegos moved to adjourn. The motion was seconded by Mr. Clement.


Motion carried unanimously.

The meeting was adjourned at 8:15 p.m.

Minutes approved this 21 day of December, 2005.



**Victor V. Villarreal, President
BexarMet Water District**



**Jim Clement, Secretary
BexarMet Water District**