

MINUTES
BEXAR METROPOLITAN WATER DISTRICT
REGULAR BOARD MEETING
2047 W. MALONE, SAN ANTONIO, TEXAS 78225
P.O. BOX 245994, SAN ANTONIO, TEXAS 78224
July 24, 2006

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 **Regular Board of Directors Meeting at 4:30 p.m. on the 24th day of July, 2006**, 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; Robert Morin; David Sosa; Jose Gallegos Jr.

STAFF MEMBERS PRESENT: Gil Olivares; Adolfo Ruiz; Jesse Morin; Miyoung Squire; Steve Sandoval; Johnnie Terrazas; Gene Camargo; Helen Casias; Liliana Oranday; Travis Runty; Abel Ruiz; Phil Hopkins; Glenn George; Monique Quitugua; Nathan Riggs; Gilbert Garza; John Joseph; Tom Pardue; Jeff Pollock; Tasha Morton, Kerry McCollough; Edna Wigfall Crute; Larry Bittle.

GUESTS PRESENT: Buck Benson (Earl & Associates); Steve Kramer and Brian Wiggins (SJK Architect); Gaylord Armstrong (McGinnis Lochrider); Laurence Kurth (Clark Thomas/Winter); Joe Thaxton (BexarMet/United Water); Lee Niles (Pape-Dawson); Daniel Saenz; Bob Graham (A.H.N.H.A).

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 4:30 p.m.

Item 2.

Upon motion of Ms. Wenger, seconded by Mr. Clement and passed without opposition, the Board adjourned in to Executive Session at 4:37p.m.

Item 3. Executive Session Items.

The Board reconvened in Open Session at 7:00pm and took the following actions per discussion in Executive Session.

2a. Payment to Bexar-Medina-Atascosa Counties.

Mr. Sosa moved to approve. The motion was seconded by Mr. Villarreal.

Mr. Villarreal called for the vote.

Motion carried unanimously.

2b. Sale and Transfer of two BexarMet Water System(s).

No discussion.

2c. 2006 Redistricting Plan.

Ms. Wenger moved to withdrawal the 2006 Redistricting Plan submitted to the Department of Justice on March 17, 2006 with file number 2006-2811 and continue with the over due submission on areas annexed after 2000. The motion was seconded by Mr. Clement

Mr. Villarreal called for the vote.

Motion carried unanimously.

2d. Purchase offers of BexarMet Real Estate.

No discussion.

2e. Acquisition of Edwards Aquifer water rights.

Mr. Fenimore stated he has two motions under 2e, the first he moved to authorize the General Manager to render in a three (3) year agreement to lease 600 acre-feet per year of Edwards water rights owned by the Steve Burcham and Family. The motion was seconded Mr. Villarreal.

Mr. Villarreal called for the vote.

Motion carried unanimously.

Mr. Fenimore indicated the second motion is to ratify the General Manager's placement of an order for the acquisition of Edwards's water rights with the Regional Water Resource Development Group (RWRDG) and to authorize the deposit of \$8,355.68 with RWRDG as required to secure the order. The motion was seconded Mr. Gallegos.

Mr. Villarreal called for the vote.

Ayes: Villarreal, Clement, Gallegos, Sosa, Fenimore, Morin.

Abstained: Wenger

Motion carried.

2f. General litigation matters.

No discussion.

2g. Legislative Lobbyist Services Contract.

Mr. Villarreal moved to ratify Legislative Lobbyist Services Contract with Russ Johnson and Harold Oliver with two named sub-contractors as approved by the board effective August 1, 2006. Mr. Sosa requested the names of all individuals who submitted an RFP. Mr. Olivares replied that there was a joint venture with Russ Johnson, Chris Shield and Harold Oliver, the Winsted Group, Clark Thomas & Winters and their lobbying group, and Calvert International Consultants.

Mr. Villarreal called for the vote.

Ayes: Villarreal, Wenger, Clement, Fenimore, and Morin

Nays: Gallegos, Sosa.

Item 4. Citizens to be heard.

Daniel Saenz, owner of property in southeast Bexar County adjacent to some BexarMet property, addressed the board. He stated that BexarMet does not maintain its fences and the lessee cattle are coming on to his property eating all his grass and destroying fences. Mr. Olivares indicates that we will get this taken care of.

Item 5. To authorize the General Manager to enter limited duration contracts (Hickory Hollow/Silver Mountain).

To authorize the General Manager to enter limited duration contracts to take immediate corrective action to repair and upgrade Facility #074 (Hickory Hollow) and Facility #049 (Silver Mountain) in order to maintain continuous and adequate service; and, further, to authorize the reallocation of \$120,000.00 of capital improvement funds from FY 06-07 Capital Budget No. BP-060705, line 59, pg. 2 to new Capital Budget No. BP-060763, (Hickory Hollow and Silver Mountain Upgrades).

Mr. Sosa moved to approve. The motion was seconded by Mr. Morin.

Mr. Villarreal called for a vote.

Motion carried unanimously.

Item 6. Approval of the renewal of the Joint Funding Agreement w/U.S. Geological Survey.

On the approval of 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, 2006 in an amount not to exceed \$103,830.00.

Mr. Villarreal called for discussion and Mr. Clement asked what is BMA WCID's share of this; this was their system. Ms. Wenger moved to withdraw her motion and moved to table the item. The motion was seconded by Mr. Villarreal.

Motion carried unanimously.

Item 7. Approve funding of construction of approx 3,000 ft of 6" raw water transmission.

To approve the funding of the construction of approximately 3,000 ft of 6" raw water transmission main from a well at the District's out-of-service Memorial facility for treatment at the District's rehabilitated Hickory Hollow facility (District 5) in the amount of approximately \$120,000.00 and reallocation of funds from Capital Budget No. BP 060730, page 3, line 88 (District 3).

Mr. Clement moved to approve. The motion was seconded by Mr. Morin.

Mr. Villarreal called for a vote.

Motion carried unanimously.

Item 8. Ratification of the emergency purchase from Siemens Water Tech.

Ms. Wenger moved to approve the ratification of the emergency purchase from Siemens Water Technologies of filter housings and filters for installation at the five Wild Turkey wells Facility #095 in District 6 in an amount not to exceed \$263,944.17 and a reallocation of funds from Capital Budget No. BP-060759, line 121, page 4 to new Capital Budget No. BP-060764; (Wild Turkey Filters). The motion was seconded by Mr. Clement.

Mr. Villarreal called for a vote.

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

Nays: Gallegos

Motion carried.

Item 9. To ratify the General Manager's placement of an order for the Acquisition of Edwards water rights.

Mr. Ruiz reminded the Board that Mr. Villarreal made a motion to move this item to executive session and the Board has already acted.

Item 10. Authorize General Manager to engage one or more engineering firms.

Authorization of the General Manager to engage one or more engineering firms, whose qualifications were secured by Request for Qualifications #06146 to provide engineering design and consultation services in order to support the District's FY 06-07 Capital Projects Program. Mr. Olivares ask the board to review their packets to notice the different engineering companies that have applied our scoring and criteria.

Mr. Villarreal asked if we have looked at having our own electrical engineer in-house. Ms. Squire indicated that this was in discussion as far as hiring an electrical engineer in-house to help with this process. She would have to talk with Human Resources and come up with a job description and create a position for an electrical engineer. Mr. Gallegos stated that we need to move further on development of this department. Mr. Sosa notes an error on the scoring sheet under quality of staffing, Ms. Squire notes the typo and will correct.

Mr. Villarreal called for a vote.

Motion carried unanimously.

Item 11. Authorize the General Manager to contract w/ Brown and Caldwell.

To authorize the General Manager to contract with Brown and Caldwell, selected through Request for Qualifications #06146, to design liquid ammonia sulfate systems for facilities # 3, 5, 8, 38 and 74 for an amount not to exceed \$123,000.00 and to amend the FY 06-07 Capital Budget to fund this contract.

Mr. Sosa moved to approve. The motion was seconded by Mr. Villarreal.

Mr. Villarreal called for discussion. Mr. Sosa asked if we can wait until we get someone on board. Ms. Squire stated no because we want to get these projects started and that is the reason we held the RFQ process, selected the firm and then we reviewed the qualifications and selected the firm that is best qualified for the treatment process. Ms Squire stated that she wants to get these on line by next summer. Mr. Sosa asked if we had an electrical engineer on board would we have to hire this company. Ms Squire indicated that yes, because these are water treatment experts.

Mr. Villarreal called for a vote.

Motion carried unanimously.

Item 12. Authorize the GM to negotiate and approve contract w/Brown and Caldwell #06146.

To authorize the General Manager to negotiate and approve a contract with Brown and Caldwell, selected through to Request for Qualifications #06146, to complete the design of the Staggs Water Production Facility BP-060760 for an amount not to exceed \$240,000.00.

Mr. Sosa moved to approve. The motion was seconded by Mr. Villarreal

Mr. Villarreal called for vote.

Motion carried unanimously.

Item 13. Ratification of the GM execution of the First Amendment to Water Supply.

Ratification of the General Manager's execution of the "First Amendment to Water Supply Agreement" between the District and Water Exploration Co., Ltd.

This item was heard in executive session and the Board has already acted.

Item 14. To approve the contract with LAN [Tabled May 2, 2006 Regular Board Meeting].

To approve a contract with Lockwood, Andrews & Newman, Inc., ("LAN") for preliminary design plans for BMA gate valve repair/replacement in an amount not to exceed \$16,000.00 [Tabled May 2, 2006 Regular Board Meeting].

Mr. Ruiz indicated that this item was tabled. This issue involves the Dam gate repair at Medina Lake. This is a preliminary design to give a detailed analysis of how the Dam gates are going to be repaired. The \$16,000.00 cost is only for detailed preliminary plans, if these plans are accepted then a full blown out plan will cost more , but the \$16,000.00 will be applied.

Mr. Villarreal called for a vote.

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

Nays: Wenger

Motion carried.

Item 15. Approve a contract with Alfaro Consulting Co.

To approve a contract with Alfaro Consulting Company, for Project Management for the Southside Paystation construction. Mr. Gilbert Garza explained his choice of Mr. Alfaro is based on his past experience as a purchasing manager for different companies and working with project managers in other areas.

Mr. Fenimore moved to approve. The motion was seconded by Mr. Sosa

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Mr. Villarreal called for vote

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

Nays: Gallegos.

Motion carried.

Item 16. Terminate the existing Longevity Program.

Mr. Sosa wants to make a substitute motion to keep this plan going until we actually have another plan in effect, so that the Board can terminate this one and approve the new one at the same time. Mr. Sosa requested to table this item. Ms. Wenger did not agree to remove the primary motion she made. Vote was taken on the ancillary motion made by Mr. Sosa.

Mr. Sosa moved to table this item. Mr. Gallegos seconded the motion.

Mr. Villarreal called for a vote.

Ayes: Villarreal; Morin; Gallegos; Sosa.

Nays: Clement; Wenger; Fenimore.

Motion carried.

Item 17. Consent Items.

No discussion on items A, B, C, D, and M, N, O.

Mr. Villarreal called for a vote.

Motion carried unanimously.

Item 17e. Payment for legal fees for professional services.

There was discussion on individual expenditures, the relative costs of different levels of expertise and the costs associated with litigation.

Ms. Wenger moves to approve. The motion was second by Mr. Clement.

Mr. Villarreal called for the vote.

Motion carried with Mr. Gallegos in opposition.

Item 17f. To approve purchase of one (1) ton cutaway van.

To approve the purchase of one (1) ton cutaway van, selected via invitation for Bid per District policy, from Grande Ford for the amount of \$32,995.00 from Capital Budget No. BE-

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4002 leak detection unit. Mr. Villarreal moved to make this one along with items g, h, i, j, k, l to be voted on collectively.

Mr. Sosa moves to approve. The motion was second by Ms. Wenger.

Mr. Villarreal called for the vote.

Motion carried, Mr. Gallegos abstained.

Item 18. Action Items Administration: Board Minutes.

Mr. Villarreal indicated that we move to table. No actions on the minutes because they are not ready.

Ms. Wenger moved to tabled. Motion was seconded by Mr. Villarreal.

Mr. Villarreal called for the vote.

Motion carried unanimously.

Item 19. Report Items.

No discussion on items a, b, c and f, g, i.

Item 19d. General Manager's monthly reports.

Mr. Olivares requested to introduce a new employee. Ms Squire introduced the new engineer, Jeff Pollock.

Item 19e. Explanation of EAA fees on the billing statements.

Mr. Olivares reported on how EAA pass-through fee is applied.

Item 19h. Status report of Pay Station.

Mr. Steve Kramer provided a status report with a slide presentation.

Item 20. Date and Time of Next Board Meeting.

Mr. Wenger moved to hold the next Regular Board Meeting on Monday August 28, 2006 at 5:00 p.m. for Executive Session and 6:00 p.m. for Open Session with possible deviation of 4:30 if we have to open a little bit earlier. Motion was seconded Mr. Clement.

Mr. Villarreal called for the vote.

Motion carried unanimously.

Item 21. Adjournment.

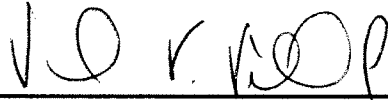
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Ms. Wenger moved to adjourn. Motion was seconded by Mr. Villarreal.

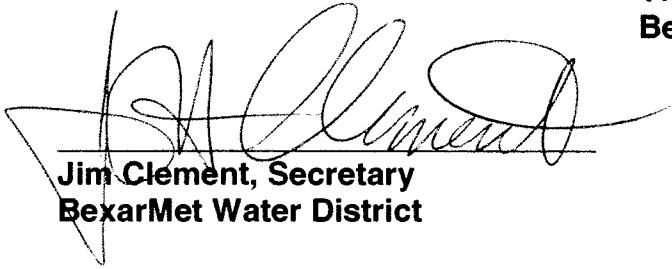
Motion carried unanimously.

The meeting was adjourned at 8:55 p.m.

Minutes approved this _____ day of _____, 2006.



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



**Jim Clement, Secretary
BexarMet Water District**