

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS OPERATIONS COMMITTEE
OF THE
SAN ANTONIO RIVER AUTHORITY
JANUARY 7, 2008

The Operations Committee of the SAN ANTONIO RIVER AUTHORITY Board of Directors was called to order by H.B. Ruckman III, at 2:01 p.m., Monday, January 7, 2008, in the Boardroom of the San Antonio River Authority, 100 E. Guenther, Bexar County, Texas.

Hector Morales called the roll and certified a quorum for the Operations Committee Meeting as follows:

Thomas Weaver	Absent
H.B. Ruckman III	Present
Hector Morales	Present
Názirite Rubén Pérez	Present
Louis E. Rowe	Present

Staff members present were:

Suzanne B. Scott, General Manager
Steve Graham, Assistant General Manager
Sharon McCoy-Huber, Director of Finance
Susan Eason, Director of Human Resources
Steve Raabe, Director of Planning and Development
Rosy Anguiano, Executive Assistant
Mike Gonzales, Environmental Services Manager
Dale Bransford, Park Services Manager
Jim Blair, Watershed Operations Manager
Claude Harding, Real Estate Manager
Rudy Farias, Planning Manager
Kenneth Englehart, Information Technology Manager
Charles Lorea, Environmental Services Supervisor
Al Astran, Utilities Manager
Hector Villanueva, Real Estate
John Gomez, Utilities
Melissa Miller, Water Resources and Community Development
Jim Doersam, Engineer
Tom Pardue, Engineer
Gloria Rodriguez, Community Relations Coordinator
Steve Lusk, Environmental Services
Jim Boenig, Engineering Manager
Nefi Garza, Watershed Management Manager

Others present were:

David Ross, Legal Counsel
Jack Todd, Trinity Industries

Regarding **Agenda Item 4: Approval of the Minutes of the Operations Committee Meeting Held on November 5, 2007.** Mr. Rowe so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Ruckman called on Rudy Farias for **Agenda Item 5: Presentation, Discussion, and Appropriate Action Regarding Entering into an Interlocal Agreement with East Central Special Utility District to Provide Wastewater Service within the District's Water Service Area.**

Mr. Farias presented a briefing on this item to the Committee and explained that River Authority staff and East Central Special Utility District are still working on a draft interlocal agreement. Due to East Central Special Utility District not taking this item to their Board of Directors in December, Mr. Farias will bring this item back next month.

Mr. Ruckman then called on Mike Gonzales for **Agenda Item 6: Presentation, Discussion, and Appropriate Action Regarding Authorization to Develop a Grant Application to the Texas State Soil and Water Conservation Board to Fund the Development of a Watershed Protection Plan for the Lower San Antonio River.**

Mr. Gonzales explained that the River Authority Environmental Services Department (ESD) is in the process of developing a basin wide Watershed Protection Plan (WPP). During 2005-2006, Phase 1 developed a WPP for the Upper San Antonio River sub basin. A grant for the Phase 2 Salado Creek WPP has been awarded by the Texas Commission on Environmental Quality. Phase 3 is to develop a WPP for the Lower San Antonio River.

The Texas State Soil and Water Conservation Board (TSSWCB) has issued a request for proposals for 2008 EPA Clean Water Act Section 319(h) grants. In order to obtain funds for the Lower San Antonio River WPP development, an application for an EPA 319 Grant must be submitted to the TSSWCB by February 1, 2008. If awarded, the grant will fund 60% of the total project costs. The River Authority's match (40%) for the grant will be provided as in-kind services under the SARA Stream Monitoring and Clean Rivers Programs and is funded in the 2007/08 budget.

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation to authorize River Authority staff to proceed with the development and submittal of a proposal to the TSSWCB for an EPA 319 grant to fund the Lower San Antonio River WPP Development Project.

Mr. Ruckman called for said Motion. Mr. Rowe so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Ruckman called on Mike Gonzales for **Agenda Item 7: Presentation, Discussion, and Appropriate Action Regarding Authorization to Develop a State Funded Interlocal**

Agreement Between the San Antonio River Authority and the Texas Commission on Environmental Quality to Conduct Water Quality Surveys on Leon Creek as Part of the Leon Creek Total Maximum Daily Load Program.

Mr. Gonzales reported that the Texas Commission on Environmental Quality (TCEQ) is leading an effort to develop a Total Maximum Daily Load (TMDL) for Segment 1906 of Leon Creek in Bexar County and has requested the River Authority to assist with field collection and laboratory services. This segment of Leon Creek is impaired due to low levels of dissolved oxygen and high levels of bacteria (E. coli), which constitutes a human health risk.

The objectives of the project are to develop information necessary to support a TMDL, specifically to (1) Collect targeted diurnal dissolved oxygen data to verify the water quality impairment and overall organic loading; (2) Collect targeted bacterial data to establish the source of impairment and overall loading; (3) Conduct modeling and assessment activities required to allocate the loadings; (4) Provide technical assistance to the TCEQ in the evaluation of actions necessary to achieve the recommended loading allocations; and (5) Document, compile, and summarize technical analyses in reports to the TCEQ.

The project will include the collection of dissolved oxygen and bacterial data through a targeted effort over a 12 month period. During the project year, a Stakeholders Group will be formed in conjunction with the River Authority's Environmental Advisory Committee, a Quality Assurance Project Plan will be developed, samples will be collected, and reports will be prepared.

The project is to be funded by the TCEQ; no River Authority match is requested. Work tasks not completed in fiscal year 2008 may be completed in fiscal year 2009 pending a contract amendment with TCEQ, which would continue to fund the projects requiring no River Authority match.

Ms. Gonzales also indicated that once the contract is completed it will be presented at the full Board of Directors meeting.

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation to authorize River Authority staff to proceed with the development and submittal of a work plan to the TCEQ to conduct water quality surveys on Leon Creek as part of the Leon Creek Total Maximum Daily Load Program.

Mr. Ruckman called for said Motion. Mr. Rowe so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Ruckman called on Dale Bransford for Agenda Item 8: Presentation, Discussion, and Appropriate Action Regarding the Award of a Construction Contract for the Calaveras Lake Park Parking Lot Improvement Project.

Mr. Bransford stated that the Calaveras Lake Park Parking Lot Improvement Project has been included in the overall Park improvement funding provided by City Public Service (CPS) Energy. The parking lot improvement is included in the 2008 fiscal year program for the Park.

The scope of work includes relocating the water service to the fish cleaning station, re-routing the electric service under the parking area, removing a median strip and extending the sides of the parking area, overlaying the existing asphalt, removing and adding bollards, and adding new light poles and lights. A 25% contingency is included.

Solicitations for bids were advertised as required by statute, and were received until January 3, 2008. The number of bidders, recommended bidder and bid amount were reported at the Operations Committee meeting. Bids are evaluated on the basis of the lowest and best bid.

Mr. Morales requested that pictures of before and after of the parking lot improvements be included when this item is presented to the Board of Directors.

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation for River Authority staff to proceed with the execution of a contract with the recommended contractor in the amount of the bid and contingency for the Calaveras Lake Park Parking Lot Improvement Project.

Mr. Ruckman called for said Motion. Mr. Rowe so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Ruckman called on Dale Bransford for **Agenda Item 9: Presentation, Discussion and Appropriate Action Regarding a Park Land Acquisition Guideline, Including its Relationship to the San Antonio River Basin Plan for Nature-Based Park Resources.**

Mr. Bransford explained that the adopted San Antonio River Basin Plan for Nature-Based Park Resources identifies the need for additional park land in each county of the River Authority's district. While cities and counties of the district have a role in meeting these needs, the River Authority also has a role where park land acquisition would benefit the public on a regional scale and further the objectives of nurturing parks and natural resources, and protecting people and the environment through proper watershed management.

This Guideline uses scoring criteria in six categories for consideration of land acquisition by donation, conservation easement, lease, or purchase for inclusion in the River Authority's park system throughout the district. Candidate properties must score a minimum of 50% of the point values in each category, and merit a favorable staff analysis of cost and acquisition conditions, before being recommended to the Board of Directors. The scoring and analysis would be performed by the River Authority's Real Estate Manager, Planning Manager, Environmental Services Manager, Flood Control Infrastructure Manager, External Communications Manager, Park Services Manager, and Park Projects Specialist.

This guideline was reviewed by the River Authority's Regional Park Coordinating Council, and received endorsement.

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation that staff use the guidelines when properties are considered for park land acquisition by the River Authority as a component of the implementation of the San Antonio River Basin Plan for Nature-Based Park Resources.

Mr. Ruckman called for said Motion. Mr. Rowe so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Ruckman called on Sharon McCoy-Huber and Al Astran for **Agenda Item 10: Presentation, Discussion, and Appropriate Action Regarding Third Party Utility Billing.**

Ms. McCoy-Huber reported that the San Antonio River Authority currently contracts with the following entities to collect for wastewater services:

BexarMet
City of Elmendorf
East Central
San Antonio Water System (SAWS)

These entities bill and collect wastewater fees the same time as their water fees. Then they forward the funds to the River Authority.

On November 16, 2007, we were contacted by SAWS about a billing error. On January 1, 2007, SAWS had taken over billing for all their wastewater customers, even the ones on the BexarMet water system. During the previous months, SAWS had been putting all their wastewater customers on a mapping system and discovered that some of the customers they were billing were River Authority customers.

We met with BexarMet and SAWS on November 28, 2007, to discuss our concerns. We discovered that the accounts that SAWS was billing that were our customers were sent to them via BexarMet. BexarMet confirmed that prior to SAWS billing these customers, BexarMet had been billing our customers at the SAWS rate and forwarding the funds to SAWS.

We are currently aware of approximately 458 customers that have been erroneously billed; of those approximately 381 reside in the Walzem Farms subdivision. The Walzem Farm subdivision began connecting to the River Authority wastewater system in 2002. We have currently estimated that there may have been as much as \$400,000 billed incorrectly (at the SAWS rates). We are still not sure what amount was billed. However, we are aware that the funds were sent to SAWS. In an attempt to be proactive, we mailed an informational letter to the customers in Walzem Farms.

We are proceeding with our investigation of these accounts but would like to visit with the Board about auditing the entities that do our third party billings for correctness. We also would potentially like to audit the cities in the Salatrillo system.

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation to retain a firm or firms to conduct an audit of wastewater customers and revenues.

Mr. Ruckman called for said Motion. Mr. Morales so moved and seconded by Mr. Perez, Motion carried unanimously.

Mr. Ruckman called on Kenneth Englehart for **Agenda Item 11: Presentation, Discussion, and Appropriate Action Regarding Participation by the San Antonio River Authority in the Installation of a Fiber Optic Conduit in the Museum Reach Urban Segment.**

Mr. Englehart stated that a fiber optic communication line will assist the River Authority in installing equipment for and collecting rain, flow, and flood stage data along the San Antonio River channel. In addition, it will allow us to maintain the Brooklyn Street Lock-n-Dam controls locally and, if required, remotely.

The City of San Antonio has expressed a vested interest in the installation of the conduit and fiber lines; they are requesting to use this line to assist in data acquisition along the river channel.

The River Authority's projected activity to install a conduit in the river channel is to secure River Authority owned and maintained fiber optic communications between our offices at Guenther and Euclid. Currently the River Authority pays an annual fee of \$45,000 to Grande Communications for the right to use their fiber optic communication lines.

Installation of Fiber Optic Conduit from Josephine Street to Lexington Street:

Total conduit installation cost= \$350,000.00
River Authority cost= \$100,000.00
City of San Antonio proposed cost = \$250,000.00
Approximate cost of fiber = \$104,000 (pulled and spliced)

Total cost = \$454,000

Formatted: Justified, Level 1, Indent: Left: 0.5", No bullets or numbering

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation to approve installation of fiber optic conduit from Josephine Street to Lexington Street in the Museum Reach Urban Segment of the San Antonio River Improvements Project.

Mr. Ruckman called for said Motion. Mr. Morales so moved and seconded by Mr. Rowe, Motion carried unanimously.

Mr. Ruckman called on David Ross for **Agenda Item 12: Presentation, Discussion, and Appropriate Action Concerning the Request by Zachry Construction Corporation to Assign the Museum Reach Urban Segment Construction Contract Associated with Zachry Construction Corporation's Business Unit Realignment.**

Mr. Ross explained that Zachry Construction Corporation has contracted with San Antonio River Authority to construct the Museum Reach Urban Segment of the San Antonio River Improvement Project. Zachry Construction Corporation currently has five business units, which are the Power Division, the Industrial Process Division, the Industrial Services Division, the Heavy Division and the Building Division. Zachry Construction Corporation is in the process of realigning those five divisions into two divisions, one of which focuses on industrial construction and maintenance and the other that focuses on civil construction. This realignment requires the assignment of the Museum Reach Urban Segment contract from Zachry Industrial, Inc., formerly known as Zachry Construction Corporation, to Zachry Construction Corporation, formerly

known as ZCC Corporation. The Zachry family continues to own the enterprise, including the realigned business units. The proposed assignment expressly provides that it does not release the assigning entity from any of its obligations and that it remains fully liable to San Antonio River Authority for those obligations. The proposed assignment will not affect construction of the Museum Reach Urban Segment.

Staff recommended a Motion indicating Operations Committee support for presenting to the River Authority Board a recommendation for the San Antonio River Authority to approve the assignment of the Museum Reach Urban Segment construction contract as requested by Zachry Construction Corporation.

Mr. Ruckman called for said Motion. Mr. Rowe so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Ruckman called on Steve Graham and Jim Doersam for **Agenda Item 13: Presentation and Discussion on the Status of the Graytown Road Wastewater System Project.**

Mr. Graham reported that the Graytown Road Wastewater System Project was originally approved by the Board in October 2006 with Martinez IV Sewer Plant, LTD. (M4). Since that time, ownership of M4 has changed and a new "Sewer Reimbursement Agreement" to replace the original agreement was approved in November 2007. The Agreement between the River Authority and M4 was finalized on December 10, 2007. Work on Phase I of the project began shortly after the Agreement was signed.

The Operations Committee was briefed on progress made on this project since the last update in November.

Mr. Rowe requested copies of both contracts, showing the difference between the old contract and the renegotiated one.

Mr. Morales requested that during the Board tour this month he would like to visit this site.

Mr. Ruckman called on Kenneth Englehart for **Agenda Item 14: Status Report on the Supervisory Control and Data Acquisition (SCADA) System Implementation.**

Mr. Englehart stated that as reported during the October 2007 Operations Committee meeting, the Supervisory Control and Data Acquisition (SCADA) application will allow the River Authority to manage and monitor our facilities and investments more efficiently using technology to view and, if needed, to control them graphically from any computer. An investment in this type of technology will allow the River Authority to analyze the data collected and make better and quicker decisions.

As requested by the Committee, staff researched and reported savings to the River Authority by implementation of this system.

Projected annual savings to the Utilities Department is \$168,954. The SCADA installation for other departments is intended to allow them to monitor security cameras and data acquisition

from gauges and meters; therefore, savings for the remaining departments may not be substantial.

The table below reflects the projected cost of installing and maintaining the SCADA system throughout our basin

Funding	General Fund	Utilities Fund	Total
Current Budget	\$20,000	\$240,000	\$260,000
3 Year Plan	\$200,000	\$240,000	\$440,000
Total Costs	\$220,000	\$480,000	\$700,000
O&M per year after	\$25,000	\$25,000	\$50,000

Mr. Ruckman called on Sharon McCoy-Huber for **Agenda Item 15: Presentation and discussion on the Randolph Air Force Base Wastewater Collection System Contract.**

Ms. McCoy-Huber explained that on January 1, 2001, the River Authority submitted a proposal to the Defense Energy Support Center (DESC) for operations and maintenance of the collection system at Randolph Air Force Base. The River Authority received notice of award in September 2003. At that time, a minor adjustment was made to the proposal to add for inflation. The River Authority began operations and maintenance in January 2004.

On March 14, 2007, the River Authority received a letter relating to performance pertaining to the contract. The letter stated that all payments would be suspended until a listing of items was received. The River Authority responded to this letter on April 22, 2007.

Staff updated the Operations Committee on the status of the contract with the DESC.

This item will be presented to the Operations Committee meeting again next month.

Mr. Ruckman called on Claude Harding for **Agenda Item 16: Briefing on Acquisition of Land Rights for \$25,000 or Less and Within the Amount Budgeted for the Project or Program.**

Mr. Harding reported that on March 22, 2006, the San Antonio River Authority Board of Directors approved Ordinance No. O-1266. This ordinance established a real estate policy for the River Authority. The new policy delegates to the General Manager the authority to purchase or lease land rights for \$25,000 or less per parcel as long as the purchase or lease price is within the amount budgeted for the project. The policy also states that such acquisitions of land rights will be reported to the Board.

Land rights acquisition efforts are in progress for the projects listed below except for the first two: Martinez 6A Dam Renovation and the Woodlake Golf Course Reuse Water Line. Real estate acquisition is complete for these projects.

Approvals for the acquisition of land rights for active projects are summarized below:

- Martinez 6A Dam Renovation Project: Approved by Board on October 15, 2003 by Resolution No. R-1164.
- Woodlake Golf Course Reuse Water Line: Approved by Board on March 21, 2007 by Resolution No. R-1303.
- San Antonio River Improvement Project, Mission Reach, Phase 1: Approved by Board on August 15, 2007 by Ordinance No. O-1295.
- San Antonio River Improvements Project, Museum Reach: Approved by Board on September 17, 2007 by Ordinance No. O-1299.
- Graytown Road Wastewater Treatment Collection System: Approved by Board on December 19, 2007 by Ordinance No. O-1303

Mr. Ruckman called on Steve Graham for **Agenda Item 17: Review and Discussion of Consultant Selection Activities and/or Consultant Contract Authorization, Renewals, Amendments or Extensions.**

Professional Services Contract for the San Antonio River Improvements Project Mission Reach Disposal Site on Southton Road

Mr. Graham stated that Board Policy Number EO 0003 regarding the Selection, Monitoring and Evaluation of Professional Services / Consultants has defined Board notification requirements. For services expected to exceed \$50,000 staff shall notify the Board Operations Committee or other appropriate Board Committee prior to initiation of the selection process for consultant professional services to receive Board input. Upon completion of the selection process, staff shall report on: solicitation, evaluation, contract negotiation and the consultant selected. Staff shall also report the increase and total cost each time a consultant's services are renewed, amended or extended initially exceeding \$50,000 in total cost or exceeding \$50,000 for the amended service.

Staff reviewed with the Operations Committee consultant selection activities and/or consultant contract authorizations, renewals, amendments or extensions. Specifically, current activities for the following consultant services were reviewed:

Professional services contract for the San Antonio River Improvements Project Mission Reach disposal site on Southton Road.

As the Mission Reach Ecosystem Restoration and Recreation (MR-ERR) Project progresses, 3.5 million cubic yards (estimated) of spoil and debris will require disposal in multiple contracts over multiple years. The San Antonio River Authority has chosen to contract with one firm responsible for design and operation of the disposal site over the entire length of the project.

The intent of this plan is to accommodate the disposal material while producing a regional park incorporating mild and variable grades and establishing native grasses, forbs, and trees. The

finished site should be as natural in appearance as practical, while incorporating recreational playfields, trails, and picnic areas.

Mr. Ruckman called on Mike Gonzales and Charles Lorea for **Agenda Item 18: Presentation of Findings on a San Antonio River Authority Environmental Services Department Laboratory National Environmental Laboratory Accreditation Program Audit Conducted by the Texas Commission on Environmental Quality in November, 2007.**

Mr. Gonzales explained that to obtain National Environmental Laboratory Accreditation Program (NELAP) accreditation required by the TCEQ, the River Authority Environmental Services Department Laboratory underwent an inspection and audit by TCEQ personnel from November 26-29, 2007. Although all items audited were considered acceptable, results indicated four positive findings and 10 negative findings. A presentation on the laboratory audit and an explanation of findings were presented to the Board of Directors Operations Committee.

Mr. Lorea gave a PowerPoint presentation on the NELAP accreditation.

Mr. Ruckman called on Suzanne Scott for **Agenda Item 19: Status Report on the San Antonio River Improvements Project.**

Ms. Scott reported that due to the review process of the Corps of Engineers on the 100% Design Documents, the project was not going to be able to meet the bid schedule of January 15, 2008 and the Corps had revised the bid schedule to release the solicitation on Feb. 1, 2008. On January 9, the River Authority, Corps of Engineers, and Carter Burgess met to review comments received by the Corps review team on the 100% documents.

Mr. Boenig reported on the demonstration riffle taking place at the end of January, lasting two to three months for the benefit of the Mission Reach Project. He also spoke about the disposal site proposed schedule.

Ms. Scott also reported that the real estate acquisitions were finalized for this project.

Mr. Ruckman called on Steve Raabe for **Agenda Item 20: Briefing on Water Resources Development and Planning Activities.**

Mr. Raabe gave his briefing on the Water Resources and Development and Planning Activities.

Mr. Ruckman called on Suzanne Scott for **Agenda Item 21: General Manager's Report.**

Ms. Scott reported that the Board of Directors tours are scheduled for Bexar County on January 10, leaving at 1:00 p.m., and the downstream tour is on January 25, leaving at 10:00 a.m.

Regarding **Agenda Item 22: Next Meeting Date.** The next Regular Meeting of the River Authority Board of Directors Operations Committee is scheduled for Monday, February 4, 2008 at 2:00 p.m. and the next Regular Board of Directors Meeting will be Wednesday, February 20. NOTE: The February 4 date was selected in error. The actual meeting will take place on February 11.

There being no further business, the meeting was adjourned by Mr. Ruckman, the Vice-Chair, at 4:23 p.m.

PREPARED AND RECOMMENDED FOR APPROVAL BY THE MANAGER.

SUZANNE B. SCOTT, General Manager

APPROVED BY THE OPERATIONS COMMITTEE AT THE MEETING HELD ON FEBRUARY 11, 2008.

H.B. RUCKMAN III, Vice-Chairman

ATTEST:

STEPHEN T. GRAHAM, Assistant Secretary