

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS OPERATIONS COMMITTEE
OF THE
SAN ANTONIO RIVER AUTHORITY
JUNE 9, 2008

The Operations Committee of the SAN ANTONIO RIVER AUTHORITY Board of Directors was called to order by H. B. Ruckman III, Chairman, at 2:00 p.m., Monday, June 9, 2008, in the Boardroom of the San Antonio River Authority, 100 E. Guenther, Bexar County, Texas.

In the absence of the Secretary, Adair Sutherland, Mr. Ruckman called on Hector Morales, Vice-Chairman, to call the roll and certify a quorum for the Operations Committee Meeting as follows:

John Flieller	Present
Hector Morales	Present
Názirite Rubén Pérez	Present
H.B. Ruckman III	Present
Adair R. Sutherland	Absent
Thomas G. Weaver	Present

Staff members present were:

Suzanne B. Scott, General Manager
Steve Graham, Assistant General Manager
Steve Raabe, Director of Technical Services
John Chisholm, Director of Operations
Sharon McCoy-Huber, Finance Manager
Jim Blair, Watershed Operations Manager
Jim Boenig, Engineering Manager
Rudy Farias, Water Resources and Community Development Manager
Mike Gonzales, Environmental Sciences Manager
Claude Harding, Real Estate Manager
Russell Persyn, Engineer
Tom Pardue, Engineer
Jim Doersam, Engineer
Lee Marlow, Watershed Operations Natural Resource Management

Others present were:

David Ross, Legal Counsel
Lupe Moreno, Temporary Administrative Assistant

Mr. Ruckman called for **Introduction of Visitors:** Ms. Moreno announced that there were none.

Mr. Ruckman called for **Citizens To Be Heard:** Ms. Moreno announced that there were no citizens signed up to speak.

Mr. Ruckman called for **Agenda Item 7: Approval of the minutes of the Operations Committee Meeting Held on May 12, 2008:** Mr. Pérez moved to approve the minutes as written, and, seconded by Mr. Weaver, the minutes were approved unanimously.

Mr. Ruckman called on Jim Boenig for **Agenda Item 8: Presentation, Discussion, and Appropriate Action regarding a Contract for Construction in Accordance with the Stormwater Pollution Prevention Plan for the Mission Reach of the San Antonio River Improvements Project**

Mr. Boenig reported that, as local sponsor to the U.S. Army Corps of Engineers (USACE) on the Mission Reach of the San Antonio River Improvements Project (SARIP), the San Antonio River Authority is responsible for obtaining, designing, and operating the project disposal site which will receive the excavated soil and other materials generated by the Mission Reach project.

Per the terms of the Project Interlocal Agreement (ILA) with Bexar County and the City of San Antonio, Bexar County is funding all costs associated with the disposal site. Per our USACE Project Cooperation Agreement (PCA), these local costs are eligible to be cost shared with the federal government but are dependent upon the amount of federal funding received.

The scope of this project is to construct best management practices (stormwater and erosion control) as designed in the Stormwater Pollution Prevention Plan (SWPPP). The current estimate for the work is between \$50,000.00 and \$150,000.00. The project schedule is:

Advertisement began: June 3, 2008
Operations Committee Briefing: June 9, 2008
Bids due: June 18, 2008
Award Authorization: June 18, 2008
Notice To Proceed: June 19, 2008
Completion: June 30, 2008

Solicitations for bids were advertised as required by statute, and will be received until June 18, 2008. The bids are evaluated on the basis of lowest and best bid.

Staff recommended a motion indicating Operations Committee support for presenting to the San Antonio 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 site stormwater pollution prevention plan at the Southton Road disposal site in conjunction with the Mission Reach Ecosystem Restoration and Recreation Project, San Antonio River Improvements Project.

Mr. Boenig asked that the motion be pulled, as it is anticipated the project will not exceed \$50,000 in expenses as originally estimated.

Mr. Weaver asked for an update regarding the property settlement and what would be done upon completion of the project. Ms. Scott stated that a settlement had been made and a relocation expense was allowed and paid. Mr. Boenig went on to inform the Board that the property would be transferred to Bexar County upon completion and the next step will be to go through a master

planning process with a landscape architect and the County oversight to see if recreational fields can be developed throughout the 240 acre area.

Mr. Ruckman called on Jim Boenig for **Agenda Item 9: Presentation, Discussion, and Appropriate Action regarding Construction Contract Award for the Elmira Parking Lot Project**

According to Mr. Boenig, the Board of Directors approved a budget amendment for a project improvement budget of \$260,000 for Elmira Parking Lot Improvements on November 14, 2007. The Board of Directors was presented with additional information on environmental options for the parking lot on February 20, 2008. The presentation noted there would be additional costs for the environmental options and enhancements. The additional environmental options were estimated to increase the project budget to \$300,000. SARA staff has developed the construction documents internally with assistance on landscaping from Land Design Partners. The project budget for this phase of work is \$246,590 with the previous phase of building demolition costing \$6,710 and future security costs estimated to be \$6,700, performed by SARA Information Technology staff.

The Engineering Department staff and Internal Resources staff have reviewed the parking area requirements for the Elmira lot. Staff has received verbal approval from representatives of the adjoining neighborhood associations. Staff also met with the City of San Antonio Development Services staff to ensure compliance with City requirements and regulations. As a result, the site plan was modified and now contains 56 parking spaces instead of 57. The River Authority staff has included efforts to demonstrate good environmental stewardship as Bid Alternates in the contractor's bid form for the Board's consideration.

The scope of work includes:

- Native xeriscape planting in the landscape islands at the entrance, along the east side of the property, and both streets.
- Area lighting, perimeter fencing, vehicular and pedestrian security gates, security cameras and a crosswalk with a new sidewalk to the Environmental Center are included in the plans for employee safety. Vehicular and pedestrian gates will be controlled by a card reader.
- Bid Alternate #1 includes a bio-retention swale to reduce peak stormwater runoff and improve water quality exiting the site.
- Bid Alternate #2 includes installing four types of permeable pavement with an underdrain system to measure water quantity and quality through the pavement.

Solicitations for bids were advertised as required by statute, and were received until June 3, 2008. The lowest responsive bid was received from American Asphalt in the amount of \$260,000 plus a contingency of \$40,000 for a total base bid of \$300,000.

The additive alternates for the environmental options of the bio-retention swale, costing \$29,000, and the permeable pavers at a cost of \$36,000 would increase the bid by \$65,000. Inclusion of the additive alternates will require a budget amendment, increasing the approved \$260,000 to \$365,000 including \$40,000 in contingency. Bids are evaluated on the basis of the lowest and best bid.

Mr. Boenig assured the Board that SARA should stay within the base budget and allow substantial contingency to move forward without an increase. Mr. Ruckman inquired about the square footage of the pavement area. Mr. Boenig responded 20,000 sq. ft. Mr. Ruckman asked that Mr. Boenig check on the difference in cost for concrete versus asphalt.

Mr. Weaver asked Ms. McCoy-Huber to verify if the Environmental Center is 30,000 sq. ft. and the total cost of the building. She responded yes to the dimensions and gave an approximate total cost of \$4 million. Mr. Weaver went on to recall that approximately 30% of SARA's debt service is paid by our tenant and expressed his approval for the excellent investment. Ms. McCoy-Huber concurred. Mr. Morales expressed a concern for additional costs for the parking lot. Mr. Boenig assured the Board that staff believes they will be able to stay within the \$260,000 amount budgeted. Mr. Morales also asked if the bio-retention swale had been included in the original estimated price. Ms. Scott explained to the Board that the swale was an added alternate in an effort to have a better environmental management feature but it became too cost prohibitive due to the expensive base of the parking lot.

Mr. Ruckman announced the removal from the agenda of **Agenda Item 10: Presentation, Discussion and Appropriate Action regarding an Agreement for Reuse Water with Woodlake Era, Ltd.**

Mr. Ruckman called on Mike Gonzales for **Agenda Item 11: Presentation, Discussion and Appropriate Action regarding a Cooperative Reimbursement 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 San Antonio 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 constitute 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 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 24 month period. During the project, the Environmental Advisory Committee will serve as the project's stakeholder group; a Quality Assurance Project Plan will be developed and samples will be collected; and reports will be prepared. Work tasks not completed in FY 2008-09 may be completed in FY 2009-10 pending a contract amendment.

The Inter-governmental Cooperative Reimbursement Agreement documents have been reviewed and deemed acceptable by SARA staff and legal counsel. The terms and conditions of the grant agreement are similar to those in other contracts previously executed between the Authority and the TCEQ. The agreement between the TCEQ and the River Authority is for the term September 1, 2008, to August 31, 2010, with a total project cost of \$74,155.86 for completion of the tasks specified in the contract.

The Operations Committee authorized the negotiation of this contract at their January 2008 meeting. The project is to be funded by the TCEQ; no SARA match is requested.

Staff recommended a motion indicating Operations Committee support for presenting to the San Antonio River Authority Board of Directors the agreement with the Texas Commission on Environmental Quality for the term of September 1, 2008, to August 31, 2010, to perform work associated with the Leon Creek Total Maximum Daily Load Program.

Mr. Ruckman called for motion to approve, and Mr. Weaver so moved. Mr. Morales seconded the motion, and, after Mr. Ruckman's call for discussion, Mr. Morales asked for the exact location of segment 1906, Leon Creek.

Mr. Gonzales explained the segment from Rodriguez Park, through Kelly AFB, Hwy 90 and South of Hwy 90. Mr. Morales asked for an explanation of the total maximum daily load (TMDL). Mr. Gonzales explained that it is flow, bacterial and contamination related. Another TMDL is currently being proposed with the USGS in regards to PCBs and heavy metals. Mr. Morales asked if SARA or the state would cover the funding. Mr. Gonzales answered that the state will be providing funding as they are planning to submit a grant to develop a watershed protection plan. Mr. Morales asked for assurance that SARA would not have to put any money into the study. Mr. Gonzales assured the Board that no match money is needed for this effort because the state is funding it. Mr. Weaver commented that this is another example of staff's good working relationship with other State agencies resulting in good contracts and negotiations to SARA's advantage.

Motion then carried unanimously.

Mr. Ruckman called on Steve Graham and Mike Gonzales for **Agenda Item 12: Review and Discussion of Consultant Selection Activities and/or Consultant Contract Authorization, Renewals, Amendments or Extensions**

Contract Amendment between SARA and Bio-West Inc. to Continue Instream Flow Assessments of the San Antonio River and Its Tributaries

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 the following consultant services:

Contract Amendment between SARA and Bio-West Inc. to continue instream flow assessments of the San Antonio River and its tributaries:

In 2001, the 77th Session of the Texas Legislature passed Senate Bill 2, which, in part, amended the Texas Water Code to include the collection of instream flow data and to conduct studies. The legislation directed Texas Parks and Wildlife Department, Texas Commission on Environmental Quality, and Texas Water Development Board (the State Agencies), in cooperation with other appropriate governmental agencies, to "...jointly establish and continuously maintain an instream flow data collection and evaluation program..." River Authority staff have expressed to the State Agencies the Authority's preference to be engaged in the San Antonio River instream flow study as an active partner. The Authority has been engaged in the San Antonio River instream flow studies under three previous Contracts with the State Agencies.

Environmental Sciences Department (ESD) staff has developed an internal instream flow planning project to augment and compliment State Agency efforts in the San Antonio River Basin. The ESD Instream Flows Planning Project provides a budget for staff involvement and professional services to determine the instream flow needs of the Lower San Antonio River. Project activities will include planning, document and data review, data collection, ecosystem modeling, habitat assessments, fish community assessment, coordination with State agencies, attendance at meetings, and keeping Authority Management informed.

In fiscal year 2006/07, the Authority contracted with Bio-West Inc. for professional services to assist with the Instream Flows Planning Project. The original contracted amount to initiate instream flow study activities was \$47,768.18. To continue instream flow efforts through fiscal year 2007/08, Authority staff amended the contract with Bio-West by extending the scope of services and increasing the compensation amount by \$275,000 for a total contract amount of \$322,768.18.

To continue instream flow planning and assessment efforts, staff recommended amending the contract with Bio-West by extending the scope of services into fiscal year 2008/09 and increasing the compensation amount by \$470,000 for a total contract amount of \$792,768.18. Funding for instream flow activities is provided in the proposed fiscal year 2008/09 budgets.

Staff reported that the contract amendment is being presented to the Operations Committee in June to avoid a two-month delay in project activities, as there will be no SARA Board or committee meetings in July 2008.

Mr. Weaver asked Mr. Gonzales if staff is pleased with Bio-West's work and for the location of their office. Mr. Gonzales stated that he would highly recommend Bio-West and is very pleased. Their corporate office is in Utah but they have an office in Round Rock, Texas. Ms. Scott informed the Board that the results of Bio-West's study will be used in staff's discussions with SAWS, CPSE, Bexar County and the City of San Antonio regarding downstream and environmental flow issues.

Mr. Graham stated that no action or recommendation was necessary at this time but offered to answer any questions or receive any guidance from the Board regarding this item. Mr. Morales asked for staff to clarify the reason for the increase to the compensation amount from \$47,000 in 2006-2007 to \$275,000 in 2007-2008. Staff determined that it would be in their best interest to step out ahead of the state in order to obtain crucial instream flow data and information so that they would be able to negotiate with SAWS. Mr. Morales asked if the amount would increase. Mr. Gonzales answered yes. Ms. Scott reiterated that it is the "growing" scope that is increasing due to the state's studies and mandated environmental flows process. Staff wants to be able to have the science available so that as decisions are being made at the State level, staff will have accurate data as we move forward. Mr. Graham pointed out that all these expenditures have been expected and are reflected in the Budget.

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

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.

During the April Operations Committee meeting, the committee supported staff's recommendation to make motion to the Board of Directors that the General Manager be authorized to negotiate an amendment to the Martinez IV Sewer Plant, LTD., Sewer Reimbursement Agreement. At its April meeting, the Board authorized the General Manager to negotiate an amendment that divides Phase II of the Agreement into three sub-phases with corresponding completion and reimbursement schedules.

Mr. Boenig presented a PowerPoint, explaining to the Board that construction of Phase I by the subcontractor, Holloman Construction, is progressing and is now approximately 500 feet east of the park at Escondido subdivision. It is now 95% complete and should be complete within the next week. A map of the progress in Segments 1 and 2 was also provided.

Staff is still awaiting a response from Mega Terra Properties, LTD. (aka, "Quiet Creek") to finalize their agreement. Cash Development (aka, "IH 10 Investments") stated in a recent meeting that they plan on breaking ground this fall.

M4 has now received payment for EDU sales in the amount of \$750,750 under Phase I of the Agreement. M4 is expected to sign the Agreement Amendment later this week, and construction on Segments 3-6 should commence shortly after that time (possibly July).

Staff received the signed Joint Use Agreement from the City of San Antonio last month for the alignment through Newcomb Road. Progress continues to be made on acquiring easements in Segments 3-6 which are necessary for Phase IIa.

Holloman Construction is scheduled to begin work on connecting the Martinez III WWTP shortly (possibly next week) to complete the influent/discharge connections to the plant making it operational by later this month

Staff met with Commissioner Adkisson a week ago to give updates on the project and discussed the potential of the I-10 corridor. Mr. Graham informed the Board of future meetings and will update them on any progress. Mr. Weaver explained to the new Board members the exchange of impact fees that would pay back the developer for sewer lines.

Mr. Ruckman called on Steve Raabe for **Agenda Item 14: Briefing on Water Resources Development and Planning Activities.**

According to Mr. Raabe,

- Regional Water Alliance submitted a grant to the Water Development Board but it was not selected at this time.
- Edwards Aquifer Recovery Implementation Program (EARIP) will have a meeting later in the week with U.S. Fish & Wildlife Services (USFWS) to discuss biological modeling relating to jeopardy analysis that should be conducted on certain fish and endangered species. The USFWS insists that the evaluation be conducted by the US Geological Survey (USGS). However, the USGS will not be able to begin the study for another six months. USFWS has also requested that USGS use a process called ‘structured decision making’ that is estimated to take two to three years of work. This would not allow the EARIP to meet the state mandated deadline that were set forth in SB3. A meeting will take place to discuss this and other issues, such as possible local entities that might want to fund Texas State University to start the process and then have the USGS take over. Currently, the USFWS is not receptive to that idea. Mr. Weaver asked why and Mr. Raabe suggested that they are not comfortable with the deadlines issue.
- Texas Legislature SB 3 has charged the EARIP Science & Steering Committee to come forth with recommendations on the following:

First, the evaluation of whether to designate a separate pool in San Marcos; how such designation would affect the existing pool; and the location of an additional index well. Mr. Raabe explained that J17 (Bexar Index Well) going below the threshold is what triggered the critical period management that started this debate. Mr. Weaver asked if specific tests are currently being done. Mr. Raabe responded yes and stated that staff

does not support the designation of a separate pool and will find out where SAWS stands on this issue.

Second, to determine the necessity of maintaining minimum springs flows including a specific review of the necessity to maintain a flow to protect the federally threatened and endangered species. And, third, if an additional pool is needed, what should be made.

Until the studies are complete, SARA doesn't see the need for extra construction.

- Mr. Raabe explained the SAWS brackish groundwater status and informed the Board that he will be talking with Calvin Finch at SAWS regarding staff's interest in participating on the Science Committee.

Mr. Morales asked for the location of J17. Mr. Raabe answered Fort Sam Houston.

Mr. Ruckman called on Suzanne Scott for **Agenda Item 15: Status Report on the San Antonio River Improvements Project.**

Ms. Scott reported on the following:

- Mission Reach activity will start at the end of this month.
- Staff has offered to inform and coordinate the dates with Mr. Perez.
- Commissioner Rodriguez has asked to hold a public meeting, and Mr. Boenig and others will work with him regarding the haul routes.
- The Museum Reach is 50% complete.
- A meeting regarding the Visitor Tax component was held earlier today to work with contractors and to process the budget amendment that will be ready in August or September.

Mr. Boenig explained that the Mission Reach Phases I and II are at a 60% design completion. Ms. Scott informed the Board that in August, staff will request authorization to move forward with right of way acquisition for Phase II.

Mr. Ruckman called on Suzanne Scott for **Agenda Item 16: General Manager's Report.**

Ms. Scott reported that no meetings will be held in July. Changes to the Budget have been made and will be delivered to the Board in about a week.

Mr. Ruckman called for **Agenda Item 17: Next Meeting Date.** Mr. Ross announced that the next meeting date will be August 11th.

Regarding **Agenda Item #18: Adjourn.** There being nothing further to report, Mr. Ruckman adjourned the meeting at 3:05 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
AUGUST 11th, 2008.

H. B. "TRIP" RUCKMAN III, Chairman

ATTEST:

STEPHEN T. GRAHAM, Assistant Secretary