



August 28, 2009

Hon. Carlos Uresti, Co-Chair of the BexarMet Oversight Committee
2530 SW Military Drive, Suite 103
San Antonio, Texas 78224

Hon. Frank Corte, Co-Chair of the BexarMet Oversight Committee
2040 Babcock Rd., Suite 402
San Antonio, Texas 78229

RE: Bexar Metropolitan Water District Oversight Committee Meeting, September 1, 2009

Dear Senator Uresti and Representative Corte:

The Bexar Metropolitan Water District (the "District") is in receipt of your letter dated August 24, 2009 and received August 25, 2009.

The District is providing you with two copies of pertinent information regarding the agenda items and Mr. Durden's letter to the San Antonio offices of both Sen. Uresti and Chairman Corte.

The District, in addition, would like to take this opportunity to highlight some accomplishments that have occurred over the last year:

Audit Implementation Team

The Texas State Auditor's Office (SAO) recommended the District create a corrective action plan to address their audit findings, including creating a timeline, assigning responsibilities and holding departments accountable for complying with this action plan.

Based on the SAO recommendation, the Audit Implementation Team (AIT) was created. The AIT is composed of Directors, Managers and other staff members that are directly responsible for responding and implementing the audit action items. The AIT tasks were documented and progress tracked to meet all applicable deadlines.

Internal Audit

The SAO recommended the District create an Internal Auditor position and the District complied. The Internal Auditor developed an Internal Audit Charter and Internal Audit Plan for FY 2009-2010, both of which were approved by the Board on August 24, 2009. An anonymous Employee Fraud, Waste, and Abuse Telephone Hotline program was established.

Financial Accomplishments

The District, through its Board of Directors, adopted revisions to the Board Administrative Policies to include public hearings prior to the adoption of the annual budget and rate increases, which provide for greater transparency and accountability. As of April 30, 2009, financial highlights include:

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$100,025,144. Of this amount, \$15,266,391 (Unrestricted Net Assets) may be used to meet the District's ongoing obligations.
- The District's total net assets increased by \$1,154,441 (before capital contributions) at the close of the fiscal year.
- The District's operating revenues increased by \$12,555,773 (22%) to \$69,798,034 compared to the prior year's operating revenues of \$57,242,261.
- Debt service coverage ratio went from 1.28 in FY 07-08 to 1.62 at the end of the FY 08-09. Board policy for this ratio is 1.40.
- The District currently maintains a balance of \$11,359,613.64 operating reserve fund contributing to the accumulation of 112 days of operations on hand.
- The District's bond rating is A-.

The District seeks grant funding to minimize the burden on the ratepayer and maximize resources available to the community. Priorities funded through grants include training and infrastructure. For example, training, water exams and licensing fees are funded through participation in the Texas Small Public Water System Training Program administered by TCEQ (Safe Drinking Water Act grant).

The District applies for funds to improve public water systems acquired by the District that possess undersized infrastructure and inadequate fire protection, particularly for low-income residents. The District was awarded Community Development Block Grant funds for three projects in Meadow Wood Acres, a small subdivision in Southwest Bexar County. The District will use the award to reimburse a portion of the cost of materials to replace two (2) inch pipe original to the development.

This year marked the first applications for State Revolving Funds, all of which qualified for American Recovery and Reinvestment Act (stimulus) funding consideration. The restoration of the Engineering Department and the presence of a Capital Improvement Office, in combination with the improvements in the District's purchasing and contracting policies and procedures fully supported the stringent application process.

Engineering

The Engineering Department is committed to increasing the number of projects designed in-house resulting in significant savings.

Engineering has complied with Chapter 395 of the Local Government Code; creating a Capital Improvement Advisory Committee (CIAC). The Department adopted a 2008-2018 Land Use Assumptions and Capital Improvement Plan, which was adopted by the Board of Directors. Based on the approval of this Plan, Impact Fees were amended. This had not occurred in 10 years. The Department will continue to coordinate with the CIAC, as it reports on implementation of the Plan.

Engineering has established a Capital Improvement Office for CIP program management, leading to a significant savings to the District. The CIP Office is currently implementing a CIPM solution software that will increase the District’s transparency and accountability by enhancing its web-based reporting capabilities to the public.

Engineering took the lead in establishing a Comprehensive Asset Management Policy, which was approved by the Board.

Purchasing/Contracting

The SAO recommended the District hire a Purchasing Manager, which has been done. The District now utilizes an electronic procurement system which allows for on-line solicitation advertising thereby maximizing competition. In addition, a centralized procurement process is currently in place and procurement training is provided to user departments in order to ensure compliance with procurement requirements. The District adopted a Contracting and Purchasing Manual, which include Standard Operating Procedures. In order take advantage of government pricing, the District entered into several Interlocal Agreements with cooperative purchasing entities.

The District is in the process of becoming a member of the South Central Texas Regional Certification Agency. The District is tracking Small, Minority, and Women Owned Business Enterprise (“SMWBE”) statistical information and increasing participation. The District will be participating in the ninth Annual SMWBE Conference sponsored by Bexar County and University Health Systems to be held in December, 2009.

Conservation

The District has adopted and implemented a Conservation Program and a Drought Contingency Plan which is managed through TCEQ, the Texas Water Development Board and the Edwards Aquifer Authority. The District’s water efficiency programs have reduced gallons per capita per day (GPCD) from 148 GPCD in 2005 to 127 GPCD in 2008. Programs include public outreach through newsletters, company website, neighborhood and school presentations and related activities. In 2008, the District distributed over 2,000 high efficiency toilets to qualified residential customers, resulting in a potential savings of 37 million gallons per year. The District’s irrigation checkup program has reduced outdoor water use by 50%.

Customer Service

We are dedicated to providing excellent water for each customer and the community. To ensure excellence in our services, we continuously gather, analyze and learn from customer feedback and our personal best is the benchmark of commitment. Accordingly, the Customer Service Department created the Customer Resolution Group to provide professional and individualized solutions to customer complaints.

In addition, a major upgrade to our Customer Service Call Center telephone system is currently underway to improve the quality of our response time to our customers. The system will improve the quality of service to callers along with providing several automated capabilities such as balance inquiry and conducting payment. The District has established a Customer Service focus group dedicated to improving the customer experience by establishing better standard operating procedures.

The Engineering Department has reduced the turnaround time for review of Utility Service Agreements and plan reviews to external customers. Improved working relationships have enhanced the cooperative efforts with internal customers such as Operations and Production required to support the District and its ratepayers.

The District insures proper and cooperative water planning within the region through active participation with the Canyon Regional Water Authority, Regional Water Alliance, Regional Water Resource Development Group, South Central Texas Regional Water Planning Group, the Edwards Aquifer Recovery and Implementation Program and South Texas Regional Water Alliance. This participation has led to outreach efforts that have resulted in an overall benefit to the region. These efforts include the water supply agreement with the City of Cibolo, emergency interconnects with Yancey Water Supply Corporation and Southwest Water Company.

Community Involvement

The District enthusiastically supports local community projects. Recently the District contributed to the new Texas A&M San Antonio campus through its funding for both the North South and East West transmission line projects and will continue to participate in providing water facilities for the project. The total estimated contribution will exceed \$6,000,000. Other community involvement include:

- McCollum High School's logo "cowboys" was painted on the nearby elevated storage tank.
- Palo Alto College logo was painted on its nearby storage tank and the District partnered with the college for a scholarship program.
- Participation in the County Brush Clean-up Program which was recognized by Bexar County Commissioners Court.
- The District is currently participating in the Good Samaritan Youth Work Program.
- The District participates in the City of San Antonio Graffiti Clean Up Committee.
- In 2008, the District donated more than 10,000 bottles of water to different community groups and events.
- Northwest Vista College interns participated in the program with United Water.

Operations

In order to provide more efficiency and accountability, the Operations Department is now a stand-alone department. It has implemented the Cross Connection Control & Backflow Program which increased communication and public education in direct response to the state auditor's health-based concerns. The Operations Department established the Well Head Protection Program that expanded into the Source Water Protection partnership with TCEQ. In addition the District participates in Disaster Management, Emergency Response and other training.

Since 1998, the District has operated the only surface water treatment plant in San Antonio. The District was one of 450 systems chosen by TCEQ's Water Division to assist with pilot testing of a new Surface Water Monthly Operating Report for the state of Texas. In partnership with United Water, the District reduced dependency and environmental stress on the Edwards Aquifer. As a result, in fiscal year 2008-2009, the plant withdrew 13,086.68 acre feet from the Medina River instead of the Edwards Aquifer. United Water and the District produced 4.3 billion gallons during the 2008-2009 contract year.

Water Resources

In a collaboration with the South Texas Regional Water Alliance, the District received funding from the Texas Water Development Board through Region L for a study, *Medina Lake Firm-Up (Surface or ASR)*, to evaluate the effectiveness of firming the Medina Lake supply to BexarMet through the use of a reservoir or an aquifer storage and recovery project. Results of the study will be incorporated in to the Region L 2011 State Water Plan.

Personnel

As demonstrated in the chart below, BexarMet has hired the following highly trained and experienced key staff members over the past year:

Melissa C. Killen -General Counsel (02/17/09)

BA- St. Mary's University & JD- University of Akron

City Attorney for the Cities of Floresville, Hondo, and Von Ormy. In addition, has served as General Counsel for the Somerset Independent School District and the Deputy Sheriff's Association- International Union of Police Associations (IUPA) Local 30.

Edward Garza, Internal Auditor (4/6/09)

BBA in Accounting - UTSA, Certified Public Accountant

Ed has over 11 years of accounting experience working with Valero Energy Corporation.

In addition, Ed has over 10 years of public accounting and internal audit experience working with Arthur Andersen & Co., City of San Antonio, and SAWS.

Robert R. Villarreal II. – Acting Director of Engineering (03/09/2009)

BS- Texas A&M University -Civil Engineering

Rob was hired with the District as a Utility Engineer and most recently hired as Acting Director of Engineering on 07/27/09. He has worked for the last 6 years with Denham and Ramones Engineering which included work in Civil Engineer and Residential Development. In addition Rob previously worked for TCEQ for 12 years which included Assisting the Director of Field Operations, Liaison to Edwards Aquifer and Edwards Aquifer protection program.

Robert Pina, Assistant Director of Information Services (11/24/08)

BS in Computer Science – St. Mary’s University & MS in Computer Information Systems - St. Mary’s University

Previously with the Bexar County Infrastructure Services Department serving as the IT/GIS Manager for over 4 years. Robert has over 9 years of implementing and managing technology within the public works and public utilities industry.

Dan Garza, Purchasing Manager (04/21/09)

BA- Park University & MA- Webster University

Dan has over twenty years of procurement experience to include working at Kelly AFB, Boeing Aerospace, San Antonio Spurs, and Bexar County.

Carlos Nava, Contracts Administrator (11/17/08)

BA- University of North Texas.

Carlos has over eleven years of contracts experience to include working at the Army Corps of Engineers, M7 Aerospace LP, FedSource of San Antonio, Karta Technologies, Cape Environmental and Geo-Marine, Inc.


Planning

The District’s Board approved a revised Mission statement as well as Vision and Values Statements in March 2009. The Strategic Plan, with integrated goals, objectives and performance measures, was approved by the Board in June 2009. Departmental Business Plans are a key component and feature their own measures. These actions fulfilled both the Board Administrative Policies to establish the strategic goals in the respective major functions particularly for fiscal planning, organizational direction and measurement of progress and the recommendation by the Texas Commission on Environmental Quality’s Management and Performance Review.

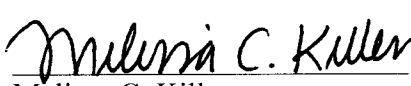
The District continues to be committed to implementing all the audit recommendations and meeting the expectations of its ratepayers, the community and the Legislative Oversight Committee as well as those expressed in the reform legislation proposed in the House through SB 2440.

Sincerely,

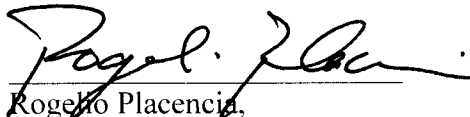
BEXAR METROPOLITAN WATER DISTRICT
MANAGEMENT TEAM



Jesse Morin,
Director of Finance

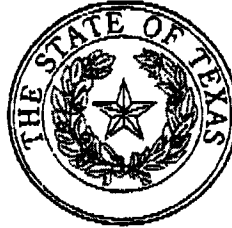


Melissa C. Killen,
General Counsel



Rogelio Placencia,
Director of Operations

Senator Carlos I. Uresti
Co-Chair
Senate District 19



Commissioner Kevin A. Wolff
Bexar County, Precinct 3

Don Durden

Representative Frank Corte, Jr.
Co-Chair
House District 122

BEXAR METROPOLITAN WATER DISTRICT OVERSIGHT COMMITTEE

San Antonio Main Library Auditorium
600 Soledad Street
9 a.m. Sept. 1, 2009
AGENDA

1. Discussion of vacant position on the committee
2. Other Business
3. Invited Testimony
 - a. Texas Commission on Environmental Quality Executive Director Mark Vickery or representative
 - b. San Antonio Water System President Robert Puente or representative
 - c. Norman Dugas or other representative from Greater San Antonio Builders Association
 - d. BexarMet officials
 - e. Trinity Glen Rose Groundwater Conservation District General Manager George Wissman, available as resource witness on status of Trinity Aquifer
4. Public Testimony*

Among issues the committee expects to be addressed are:

- a. Results of legislative session and how much BexarMet spent on lobbyists.
- b. BexarMet's efforts to satisfy TCEQ's mandate for additional elevated storage for the Stone Oak service area.
- c. BexarMet's employment of a general manager.
- d. BexarMet's new impact fee structure and how it compares to other utilities in the area.
- e. BexarMet's situation with water supplies and water pressure in the current drought.
- f. Staggs Ranch and other BexarMet water supply initiatives.
- g. BexarMet's financial situation and outlook.
- h. BexarMet's efforts to install a conservator.
- i. BexarMet's efforts to address recommendations of State Auditor's Office.
- j. BexarMet payouts on lawsuits this calendar year - amounts, purposes and pending suits.
- k. Explanation of the fees, including "system improvement fee" levied on BexarMet bills.
- l. Status of BexarMet's engineering department.
- m. BexarMet's ability to provide water for adequate fire response.

*The venue has to be vacated by 5:30 p.m., and the co-chairs may limit the testimony of each witness to 3 minutes, depending on the number of people wanting to testify.

Senator Carlos I. Uresti
P.O. Box 12068
Austin, Texas 78711
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Representative Frank Corte, Jr.
P.O. Box 2910
Austin, Texas 78768
512-463-0646
FAX: 512-463-0893

Website: <http://www.senate.state.tx.us/75r/senate/commit/c875/c875.htm>

A



MEMORANDUM

To: Management Team

From: Mike Lopez
Director of Customer Service and Communications

Date: August 21, 2009

Re: Oversight Committee Response

The following is in response to item a. Results of legislative session and how much BexarMet spent on lobbyist.

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MEMORANDUM

To: Management Team

Through: Robert R. Villarreal II, P.E.
Acting Director of Engineering

From: Bobby Mengden, P.E.
Engineer and Project Manager

Date: August 21, 2009

Re: Oversight Committee Response

The following is in response to item b. BexarMet's efforts to satisfy TCEQ's mandate for additional elevated storage for the Stone Oak service area.

Please see response to the letter from Mr. Don Durden, Consulting Engineering Consultants ("CEC") to the Bexar Metropolitan Water District Oversight Committee dated August 6, 2009 and received August 25, 2009.



**Lockwood, Andrews
& Newnam, Inc.**

A LEO A DALY COMPANY

MEMORANDUM

PLANNING

DATE: October 14, 2008

ENGINEERING

ATTN: Bobby Mengden, PE

PROGRAM MANAGEMENT

FROM: Shawn Crawford, PE

Est. 1935

AUSTIN

BRYAN

DALLAS

FORT WORTH

HOUSTON

MIAMI

PHOENIX

SAN ANTONIO

SAN MARCOS

WACO

PROJECT: HILL COUNTRY DISTRICT WATER MASTER PLAN

PROJECT NO. 140-10458-000

SUBJECT: HARDY OAK EST V. CANYON GOLF RD. GST/EST

MESSAGE

LAN has evaluated three options for additional storage capacity needed to reduce 2008 deficiencies in the Stone Oak area. The three options are:

OPTION 1: An elevated storage tank (EST) at the end of Hardy Oak Blvd. near Blanco Road - This option includes a 2.5 MG EST, a 24-inch main and PRV to tie the Hardy Oak EST into an existing main near Calico Landing Street (to relieve pressure and fire flow deficiencies in the Panther Creek Subdivision), and a 24-inch water main to tie the EST into Hardy Oak Blvd. This will cost an estimated \$8.03 million for 2008 deficiencies.

Additionally, for 2018, LAN recommends tying the Hardy Oak EST into Timberwood via a 12-inch water main along Blanco Road. A high service pump will be needed to move water up to Timberwood. This will cost an estimated \$1.12 million for 2018 deficiencies.

Grand Total \$9,143,157 (SEE ATTACHED COST SUMMARY)

OPTION 2: An EST at Canyon Golf Road near Champions Bluff - This option includes a 2.5 MG EST on the existing BexarMet property. Additionally, a 24-inch water main and PRV along Blanco Road is needed to connect an existing main near Calico Landing Street to an existing main in West Oak Estates. This main is a recommended 2008 project and is required to relieve pressure and fire flow deficiencies in the Panther Creek Subdivision. These two projects will cost a combined estimated value of \$7.23 million for 2008 deficiencies.

Additionally, for 2018, LAN recommends tying the Timberwood Park and the Stone Oak area together in order to deliver additional water to Timberwood Park. The two systems will be connected via a 24-inch transmission main along Canyon Golf Road, from the EST site to an existing 16-inch main on Canyon Golf Road near Timberwood Park. This transmission main will cost an estimated \$2.6 million for 2018 deficiencies.

Grand Total \$9,852,466 (SEE ATTACHED COST SUMMARY)

OPTION 3: A ground storage tank (GST) on Canyon Golf Road near Champions Bluff - This option includes a 2.5 MG GST with a high service pump station, 3 phase electricity, back-up generator, altitude valve, a noise abatement pump house and site improvements on

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SAN ANTONIO, TX 78216

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FAX: 210.499.5157



PLANNING
ENGINEERING
PROGRAM MANAGEMENT

the existing BexarMet property. Like Option 2, a 24-inch water main and PRV is needed along Blanco Road to connect an existing main in Timberwood Park to an existing main near Calico Landing Street to relieve pressure and fire flow deficiencies in the Panther Creek Subdivision. Together, these two projects cost an estimated \$9 million for 2008 deficiencies. This does not include the additional cost of operating and maintaining (O&M) the pump station at this GST site. Bobby Mengden will research the the O&M cost for comparison purposes.

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As in Option 2, for 2018, LAN recommends tying the Timberwood Park and the Stone Oak area together via a 24-inch transmission main along Canyon Golf Road. This transmission main will cost an estimated \$2.6 million for 2018 deficiencies.

Grand Total \$11,600,866 (SEE ATTACHED COST SUMMARY)
Plus annual Operation & Maintenance costs of the pumps

RECOMMENDATIONS:

LAN's recommendation is to construct the EST at the end of Hardy Oak Blvd. near Blanco Road site. This is the most cost-efficient storage project. There are also many non-monetary advantages to selecting this option. This EST will not be located directly adjacent to homes, therefore it is likely there will be less community opposition. An elevated storage tank is desirable because it will provide a buffer between pumps and the water distribution system. Elevated storage is simpler in operation and is more reliable. It provides water at a constant pressure to the system and does not require back-up generators in case of power failure. Since no pumps are needed at an elevated storage tank, operation and maintenance costs are much lower. The disadvantage of an EST is the relatively high profile of the tank.

If the Hardy Oak Blvd. near Blanco site absolutely cannot be acquired, LAN's second recommendation is to construct an EST on the existing BexarMet property at Canyon Golf Road near Champions Bluff. This option is the second most cost-efficient project. Since it is also an EST, the same advantages as Option 1 apply. The disadvantage to selecting this project is the proximity to residential neighborhoods. There will likely be continued community opposition to this project due to the relatively high profile of the tank.

LAN does not recommend Option 3 (GST at Canyon Golf Road and Champions Bluff) for the following reasons. First, this is the most expensive project alternative. Also, a GST will not provide the buffer between high service pumps and the water distribution system as an EST will. High service pumps at this site will be required to achieve a hydraulic gradient of 1395-foot and will be pumped directly into the system reproducing the same action as the Knight's Cross Pump Station. Essentially, water in the Stone Oak area will be pumped to the 1395-foot hydraulic gradient twice, once at Knight's Cross and once at the new GST site - doubling O&M costs. The new GST facility will also require a back-up generator in case of power failure and a back-up pump. Additionally, the proposed facility is in close proximity to homes and therefore will require a noise abatement house to reduce noise pollution from the high service pumps. The advantage to building Option 3 is the relatively low profile of the GST.

There are two additional project locations that BexarMet has considered for the construction of an elevated or ground storage tank to serve Stone Oak. The first location is at Hardy Oak Blvd. and Stoneway Drive. This site is not advantageous because of the low elevation, an EST would have to be much taller (185-feet high or more) than at the locations discussed in Options 1 and 2. Elevated storage tanks are exponentially more expensive when built taller than the standard 135 to 150-feet. A GST at this location would not be recommended for the same reasons as Option 3 above.

The second additional location considered is Overlook Parkway near Highway 281. This location is not recommended to satisfy 2008 system deficiencies in the Stone Oak area for the

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MEMORANDUM

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following reasons. The 2008 deficiencies indicate that this additional storage is needed in the Stone Oak area, not in the Timberwood Park area. (Note: An additional 2.5 MG EST will be required at Overlook Parkway in 2018 but that is a separate project not related to the 2.5 MG EST needed for Stone Oak's 2008 deficiencies, one can not replace the other). In relation to this option, serving the 2008 Stone Oak deficiencies with an Overlook EST, a transmission main from Overlook Parkway/281 to the Stone Oak area would be required. When head losses are taken into account the pumps at Knight's Cross would have to pump at such a high hydraulic gradient (much higher than 1395-feet) to fill the Overlook EST that they would deliver an extremely high pressure to the Stone Oak area. From the Knight's Cross pump station to the Overlook Parkway site the water would have to travel more than 6 miles. As recommended by the American Water Works Association (AWWA) M32 a storage tank should be located within close proximity to the area it is providing residential and high fire flow demand. The proximity of this location to the Stone Oak area would make this option not feasible for either.

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Estimate of Probable Costs for Improvements at Hardy Oaks Elevated Storage Tank Option 1

1. 2.5 MG EST (2008 Project)

Description	Cost	
2.5 MG EST	\$5,245,000	Cost from BexarMet CIP List (2007 dollars)
3% Interest Applied per Year	\$157,350	
2.5 MG EST subtotal	\$5,402,350	
Land @ Hardy Oaks & Blanco (4 Acres & Assoc. Costs)	\$700,000	

Subtotal 2008 Cost \$6,102,350

** Annual O&M cost of High Service Pumps not required \$0.00

**2. 24" DI Water Main (Calico Landing to Hardy Oaks EST)
(2008 Project)**

Description	Cost	
5,800 LF 24" DI Water Main	\$1,200,000	Cost from BexarMet CIP List (2007 dollars)
subtotal	\$1,200,000	

3% Interest Applied per Year \$36,000

Subtotal 2008 Cost \$1,236,000

**3. PRV on 24" Line from Calico Landing to Hardy Oaks EST
(2008 Project)**

Description	Cost
PRV	\$75,000
subtotal	\$75,000

10% Infrastructure Design	\$7,500
10% Construction Contingency	\$7,500
5% Construction Phase Services	\$3,750
2% Program Management	\$1,500

Subtotal 2008 Cost \$95,250

**Estimate of Probable Costs for Improvements at
Hardy Oaks Elevated Storage Tank
Option 1 continued**

**4. 24" DI Water Main (Hardy Oaks EST to Hardy Oaks BLVD. Tie-in)
(2008 Project)**

Description	Cost
1,800 LF 24" DI Water Main	\$390,600
1,800 LF x 50' Wide Easement	\$76,645
subtotal	\$467,245
10% Infrastructure Design	\$46,725
10% Construction Contingency	\$46,725
5% Construction Phase Services	\$23,362
2% Program Management	\$9,345

Subtotal 2008 Cost \$593,401

**5. 24" DI Water Main (Hardy Oaks EST to 12-inch main @ West Oaks Estates)
(2018 Project)**

Description	Cost
3,500 LF 24" DI Water Main	\$507,500
subtotal	\$507,500
10% Infrastructure Design	\$50,750
10% Construction Contingency	\$50,750
5% Construction Phase Services	\$25,375
2% Program Management	\$10,150

Subtotal 2008 Cost \$644,525
Subtotal 2018 Cost \$866,188

**6. 1-1,000 GPM HSP (Pump water from Hardy Oaks EST to
Timberwood) (2018 Project)**

Description	Cost
1-1,000 GPM HSP	\$150,000
subtotal	\$150,000
7% Facility Design	\$10,500
10% Construction Contingency	\$15,000
5% Construction Phase Services	\$7,500
2% Program Management	\$3,000

Subtotal 2008 Cost \$186,000
Subtotal 2018 Cost \$249,968

Total 2008 Project Cost \$8,027,001
Total 2018 Project Cost \$1,116,156

GRAND TOTAL \$9,143,157

Estimate of Probable Costs for Improvements at Canyon Golf & Champion Bluff Elevated Storage Tank Option 2

1. 2.5 MG EST (2008 Project)

Description	Cost
2.5 MG EST	\$4,500,000
Site Improvements (Does not include off site improvements)	\$100,000
subtotal	\$4,600,000

7% Facility Design	\$322,000
10% Construction Contingency	\$460,000
5% Construction Phase Services	\$230,000
2% Program Management	\$92,000

Subtotal 2008 cost \$5,704,000

** Annual O&M cost of High Service Pumps not required \$0.00

2. 24" DI Water Main (Calico Landing to West Oak Estates Tie-in) with PRV (2008 Project)

Description	Cost
5,300 LF 24" DI Water Main	\$1,150,100
PRV	\$75,000
subtotal	\$1,225,100

10% Infrastructure Design	\$122,510
10% Construction Contingency	\$122,510
5% Construction Phase Services	\$61,255
2% Program Management	\$24,502

Subtotal 2008 cost \$1,555,877

3. 24" DI Transmission Main (North of Champion Bluff/Canyon Golf to Links Ln.) (2018 Project)

Description	Cost
7,000 LF 24" DI Water Main	\$1,519,000
subtotal	\$1,519,000

10% Infrastructure Design	\$151,900
10% Construction Contingency	\$151,900
5% Construction Phase Services	\$75,950
2% Program Management	\$30,380

Subtotal 2008 cost \$1,929,130

Subtotal 2018 cost \$2,592,589

Total 2008 Project Cost \$7,259,877

Total 2018 Project Cost \$2,592,589

GRAND TOTAL \$9,852,466

Estimate of Probable Costs for Improvements at Canyon Golf & Champion Bluff Ground Storage Tank Option 3

1. **2.5 MG GST & Pump Station**

Description	Cost
2.5 MG GST	\$2,000,000
HSP Station: 5-1800 gpm HSP	\$500,000
3 Phase Electricity to site for pumps (5@1800 gpm)	\$2,000,000
Noise Abatement Pump House	\$1,000,000
Site Improvements	\$100,000
Backup Generator	\$400,000
Altitude Valve	\$10,000
subtotal	\$6,010,000

7% Facility Design	\$420,700
10% Construction Contingency	\$601,000
5% Construction Phase Services	\$300,500
2% Program Management	\$120,200

Subtotal 2008 cost (with contingencies, without O&M) \$7,452,400

** Annual O&M Cost of Pumps to be provided by Bobby Mengden \$ _____ per year.

2. **24" DI Water Main (Calico Landing to West Oak Estates Tie-in)
with PRV (2008 Project)**

Description	Cost
5,300 LF 24" DI Water Main	\$1,150,100
PRV	\$75,000
subtotal	\$1,225,100

10% Infrastructure Design	\$122,510
10% Construction Contingency	\$122,510
5% Construction Phase Services	\$61,255
2% Program Management	\$24,502

Subtotal 2008 cost \$1,555,877

Estimate of Probable Costs for Improvements at Canyon Golf & Champion Bluff Ground Storage Tank Option 3 continued

3. 24" DI Transmission Main (North of Champion Bluff/Canyon Golf to Links Ln.) (2018 Project)

Description	Cost
7,000 LF 24" DI Water Main	\$1,519,000
subtotal	\$1,519,000

10% Infrastructure Design	\$151,900
10% Construction Contingency	\$151,900
5% Construction Phase Services	\$75,950
2% Program Management	<u>\$30,380</u>

Subtotal 2008 cost	\$1,929,130
Subtotal 2018 cost	\$2,592,589

Total 2008 Project Cost	\$9,008,277	← (Not Including Annual
Total 2018 Project Cost	\$2,592,589	O&M Costs)

GRAND TOTAL	\$11,600,866
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C



MEMORANDUM

To: Management Team

From: Guadalupe I. Lopez
President
Board of Directors

Date: August 28, 2009

Re: Legislative Oversight Committee (LOC) Response

The following responses are specific to questions requested by Senator Uresti from the Bexar Metropolitan Water District Legislative Oversight Committee (LOC) sent via facsimile on August 25, 2009. The Operations Department has summarized these responses to the specific questions outlined in the letter:

Item "c"

Q: BexarMet's employment of a general manager

This will be addressed in person on September 1, 2009.

D



MEMORANDUM

To: Management Team

Through: Robert R. Villarreal II, P.E.
Acting Director of Engineering

From: Bobby Mengden, P.E.
Engineer and Project Manager

Date: August 21, 2009

Re: Oversight Committee Response

The following is in response to item d. BexarMet's new impact fee structure and how it compares to other utilities in the area.

Please see response to the letter from Mr. Don Durden, Consulting Engineering Consultants ("CEC") to the Bexar Metropolitan Water District Oversight Committee dated August 6, 2009 and received August 25, 2009.

RESOLUTION
AGENDA ITEM NO. 14
JUNE 22, 2009

A RESOLUTION AMENDING CHAPTER 13, IMPACT FEES, OF THE BEXAR METROPOLITAN WATER DISTRICT WATER SERVICE REGULATIONS BY APPROVING, ADOPTING, AND IMPLEMENTING AN UPDATE OF THE BEXAR METROPOLITAN WATER DISTRICT IMPACT FEE; AMENDING IMPACT FEES FOR WATER FACILITIES; PROVIDING FOR COLLECTION AND ASSESSMENT OF IMPACT FEES; PROVIDING FOR CREDITS AGAINST IMPACT FEES; PROVIDING FOR ACCOUNTS FOR IMPACT FEES AND USE OF FUNDS IN THESE ACCOUNTS; PROVIDING FOR APPEALS, RELIEF PROCEDURES AND EXEMPTIONS; PROVIDING FOR FUTURE UPDATES; AND PROVIDING FOR AGREEMENTS FOR CAPITAL IMPROVEMENTS, INCLUDING PROCEDURAL PROVISIONS.

RECITALS:

WHEREAS, in 1987 the Texas Legislature adopted Senate Bill 336, subsequently amended and adopted as Chapter 395 of the Local Government Code, authorizing impact fees for water and other facilities; and

WHEREAS, the Bexar Metropolitan Water District ("District") previously has adopted land use assumptions, capital improvements plan and impact fees for water facilities; and

WHEREAS, the District has not evaluated and updated impact fees since 1997; and

WHEREAS, the District desires to update and amend its impact fee program for water facilities; and

WHEREAS, on December 29, 2008 the District Board of Directors ("Board") approved the selection of Corollo Engineers to provide professional services for the creation of an impact fee study; and

WHEREAS, on February 23, 2009, the Board approved the Land Use Assumptions and Capital Improvements Plan Report, prepared in accordance with Chapter 395 of the Texas Local Government Code; and

WHEREAS, the Board held a public hearing on June 10, 2009 on updates to the land use assumptions, impact fee capital improvements plan and impact fees for water facilities in accordance with Chapter 395 of the Texas Local Government Code; and

WHEREAS, the Board finds that the District has fully complied with Chapter 395 of the Texas Local Government Code, as amended, in the notice, adoption, promulgation and methodology necessary to update and amend the District's impact fees for water facilities; and

WHEREAS, this Resolution is intended to and satisfies the statutory requirements for amending land use assumptions, capital improvements plan and impact fees;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE BEXAR METROPOLITAN WATER DISTRICT: