

TO: San Antonio Water System Board of Trustees

FROM: Cristina Brantley, P.E., Director, Pipelines, and Juan D. Gomez, Ph.D., P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION FOR THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE 2022 – 2027 BOND PROGRAM

Board Action Date: January 14, 2025

**SUMMARY AND RECOMMENDATION:**

The attached resolution authorizes funds in the amount of \$10,100,000.00 to reimburse the City of San Antonio (the “City”) for engineering services and authorizes the President/Chief Executive Officer to execute a Memorandum of Understanding in connection with the City’s 2022 – 2027 Bond Program.

- On May 7, 2022, San Antonio voters approved the passage of a \$1.2 billion Bond Program. Six propositions were passed, which included 183 capital improvements projects.
- Proposed projects included in the bond program include:
  - 62 street, bridge, and sidewalk projects (\$47,557,000)
  - 23 drainage and flood control projects (\$169,873,000)
  - 82 parks and recreation projects (\$271,915,000)
  - 9 library and cultural facilities projects (\$58,375,000)
  - 6 public safety facilities projects (\$78,280,000)
  - 1 affordable housing project (five priority funding categories totaling \$150,000,000)
- The San Antonio Water System (the “System”) participated in the selection of design consultants under the City’s Request for Qualification. Fifty-eight consultants were selected to design street and drainage projects. Engineering services related to the replacement and adjustment of the System’s facilities in connection with these projects will be included in the City’s contracts with the design engineers.
- On November 10, 2022, City Council approved the negotiation and execution of engineering contracts.
- The evaluation of the System’s facilities within the project has been underway since 2022. Information regarding the condition of existing facilities, and the need for the installation of new facilities, was used to develop preliminary scopes of the System’s work in connection with the bond projects.

- System staff has attended design meetings with the City and the selected consultants. Early engagement in engineering is strongly desired to ensure high quality design plans and compliance with the City’s aggressive schedule for the delivery of the bond projects.
- The Memorandum of Understanding establishes the framework for the lead contracting agency for Joint Bid Projects, establishes High Risk Project criteria, dispute resolution and includes terms by which the System will reimburse the City for design and construction related costs in regard to the 2022 - 2027 Bond projects.
- In addition, the City will perform and manage all environmental work related to the System’s improvements under Bond Program projects identified as complex or high risk.
- The consultants selected for each project are shown under Supplementary Comments.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2023 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental - Water Category, and Governmental Water Replacements budget line item. The amount is \$6,000,000.00 for water related design work. The job number is 23-5001.

The sewer work is included in the Wastewater Core Business, Governmental - Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is \$4,000,000.00 for sewer related design work. The job number is 23-5501.

The recycled water work is included in the Water Supply Core Business, Governmental - Recycled Water Category, and Governmental Recycled Water budget line item. The amount is \$100,000.00 for recycled water related design work. The job number is 23-8603.

**SUPPLEMENTARY COMMENTS:**

The consultants and the projects they were selected for are listed in the following table:

Name of Firm	Project	Location/Certification
6S Engineering, Inc.	Valley Hi Area Drainage - Medina Base Phase 1 (Ray Ellison Blvd from Medina Base Rd to Old Valley Hi Dr)	Local/WBE-Non-Minority
AG3 Group, LLC	Culebra Park (Area Streets)	Local/WBE-Hispanic
All-Ways Engineering, LLC	District 1 - 5 Pedestrian Mobility	Local/MBE-Hispanic

<b>Name of Firm</b>	<b>Project</b>	<b>Location/Certification</b>
Ardurra Group, Inc.	Wilcox Avenue Area Drainage (Quintana Rd from Kings Ave to Wilcox Ave and Wilcox Ave from Quintana Rd to Dead	Local/Non-SMWB
Bain Medina Bain, Inc.	Oak Haven Area Street & Drainage (Kentwood Phase 2)	Local/MBE-Hispanic
BGE, Inc.	Old Highway 90 Phase 2 (State Highway 151 to US Highway 90 West)	Local/Non-SMWB
Binkley & Barfield, Inc.	Gardendale Street & Drainage (Wurzbach Road to Bluemel Road)	Local/Non-SMWB
Camacho-Hernandez and Associates, LLC	Vance Jackson Road (Huebner Road to Wurzbach Road)	Local/MBE-Hispanic
CAS Consulting and Services, Inc.	Southwell North Area Drainage (Southwell Road and Melba Drive)	Local/MBE-Asian
Civil Design Services, Inc. dba CDS Muery	Peggy Drive Area Drainage (Eastgate Subdivision)	Local/SBE
CivilTech Engineering, Inc. - Woolpert	Braun Road Sidewalks (Tezel Road to Northwest Loop 1604)	Local/Non-SMWB
CNG Engineering, PLLC	Market Street Cycle Track	Local/MBE-AABE
Cobb, Fendley & Associates, Inc.	District 7 Neighborhood Sidewalk Improvements	Local/Non-SMWB
Conсор Engineers, LLC	Military Drive (Sequoia Height to East of Reed Road)	Local/Non-SMWB
CP&Y, Inc. an STV Company	Flores (Cesar Chavez to Martin)	Local/Non-SMWB
DEC - San Antonio, LLC	Covel Road (Ray Ellison Boulevard to Old Pearsall Road)	Local/Non-SMWB
Doucet & Associates, Inc.	District 9 Traffic and Mobility Improvements (Bitters Road Area)	Local/Non-SMWB
Floodace, LLC	Lower French Creek Drainage (Low Bid Lane to Leon Creek)	Local/WBE-Asian
Garcia Infrastructure Consultants, LLC	Perennial Area Street & Drainage (Heimer Road to Dutch Myrtle)	Local/WBE-Hispanic
Garver, LLC	Jones Maltsberger Road (Autry Pond Road to Redland Road)	Local/Non-SMWB
Garza EMC, LLC	Dorsey Drive (Moursund Boulevard to Garnett Avenue)	Local/MBE-Hispanic
GGC Engineers, Inc.	Classen Road (Classen Spur to Knollcreek Drive)	Local/MBE-Hispanic

<b>Name of Firm</b>	<b>Project</b>	<b>Location/Certification</b>
Halff Associates, Inc.	Seeling Drainage Phase 4 (Lowery Drive to St. Cloud and Placid Drive from Sage to Pardo)	Local/Non-SMWB
HDR Engineering, Inc.	Marbach Road Area Street & Drainage (IH-410 to Horal Drive)	Local/Non-SMWB
Johnson, Mirmiran & Thompson, Inc.	District 6 Intersection Improvements (Military Drive, Ingram Road and Military)	Local/Non-SMWB
K Friese & Associates, LLC	North New Braunfels Avenue Phase 2 (East Houston Street to Paso Hondo Street)	Local/Non-SMWB
KCI Technologies, Inc.	Roosevelt Avenue (VFW Boulevard to Harding Boulevard)	Local/Non-SMWB
KFW Management, LLC, dba KFW Engineers & Surveying	George Road Low Water Crossing (Hunters Bow to NW Military Highway)	Local/Non-SMWB
Kimley-Horn and Associates, Inc.	Toepperwein Road (Nacogdoches Road to Raintree Forest)	Local/Non-SMWB
Lamb-Star Engineering, LLC	N. Frio Bicycle and Pedestrian Improvements	Local/Native American
Legacy Engineering Group, PLLC	Babcock Road (West Hausman to UTSA Boulevard)	Local/MBE-Hispanic
M. W. Cude Engineers, LLC, dba Cude Engineers	Texas A&M University Area Streets	Local/Non-SMWB
Maestas & Associates, LLC	Elmira Area Drainage (Cameron Roadway from Elmira to Santa Rosa Street)	Local/MBE-Hispanic
Mendez Engineering, PLLC	Vance Jackson (Loop 410 to Adrian)	Local/MBE-Hispanic/VBE
Michael Baker International, Inc.	N. New Braunfels (Austin Hwy to Larkwood)	Local/Non-SMWB
Moore Iacofano Goltsman, Inc.	Hemisfair Boulevard Phase 3	Local/Non-SMWB
Moreno Cardenas, Inc.	District 9 Traffic and Mobility Improvements (Stone Oak Parkway, Evans, Hardy Oak and Stone Oak Area)	Local/MBE-Hispanic
Moy Tarin Ramirez Engineers, LLC	Citywide Bicycle Facilities	Local/MBE-Hispanic

<b>Name of Firm</b>	<b>Project</b>	<b>Location/Certification</b>
Neel-Schaffer, Inc.	Fox Run Area Drainage (Between Fox Peak Drive and Fox Creek)	Local/Non-SMWB
Pape-Dawson Engineers, Inc.	Culebra Road (IH-10 to Callaghan Road)	Local/Non-SMWB
Poznecki-Camarillo, LLC	Frio City Road Outfall Phase 1 (Pendleton Avenue from outside Union Pacific Railroad right-of-way to San Pedro Creek)	Local/MBE-Hispanic
Quiddity Engineering, LLC	Evans Road Improvements Ph 1 Street & Drainage (East Elm Creek to Masonwood)	Local/Non-SMWB
RESPEC Company, LLC	Brookside Outfall (Esma Roadway Area Phase 2) (Lebanon Roadway to San Antonio River Tributary)	Local/Non-SMWB
RPS, a Tetra Tech Company	Southcross Boulevard Phase 2	Local/Non-SMWB
RS&H, Inc.	Sidney Brooks Drive (City Base Landing to South New Braunfels)	Local/Non-SMWB
Sanchez-Salazar & Associates, LLC	Abe Lincoln Shared Use Path	Local/MBE-Hispanic
Sanchez-Salazar & Associates, LLC	Pinn Rd Shared Use Path	Local/MBE-Hispanic
Structural Engineering Associates, Inc.	Citywide Bridge Improvements	Local/Non-SMWB
T-Core Engineers, LLC	Leon Greenway Connection (Port San Antonio to Camargo Park to Pearsall Park - Linear Greenway project)	Local/WBE-Non-Minority
Tetra Tech, Inc.	West Broadview Drive & Oakwood Drive Drainage Phase 1 (West Broadview Drive and West Quill Drive)	Local/Non-SMWB
Unintech Consulting Engineers, Inc.	Barbara Drive Phase 3	Local/WBE-Asian
Valdez Eng. LLC dba Valdez Engineering	West College Link (St. Mary's to Memorial High School to Zarzamora Creek - Linear Greenway project)	Local/MBE-Hispanic
Vickrey and Associates, LLC	South Pine Roadway Drainage Phase 2 (Greer Street, Vanderbilt Street, and South Palmettoc Street)	Local/Non-SMWB
Volkert, Inc.	District 6 - 10 Pedestrian Mobility	Local/Non-SMWB

<b>Name of Firm</b>	<b>Project</b>	<b>Location/Certification</b>
Westwood Professional Services, Inc.	Eisenhower Road Northwood-Devonshire Drive Area Drainage Phase IA (Pike Road from Albin to Brookside)	Local/Non-SMWB
WGI, Inc.	Eastside Area Streets	Local/Non-SMWB
WGI, Inc.	Hays Street Bridge Connections (Downtown to Lockwood Park - Linear Greenway project)	Local/Non-SMWB
WSP USA, Inc.	South Brazos Street (Alazan Creek to Apache Creek)	Local/Non-SMWB

**RESOLUTION NO.**

**OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING REIMBURSEMENT TO THE CITY OF SAN ANTONIO IN AN AMOUNT NOT TO EXCEED \$10,100,000.00 FOR PROFESSIONAL ENGINEERING SERVICES IN CONNECTION WITH THE 2022 – 2027 BOND PROGRAM; APPROVING AN AMOUNT NOT TO EXCEED \$10,100,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN ANTONIO FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, San Antonio voters approved the passage of a \$1.2 billion bond program on May 7, 2022; and

**WHEREAS**, the 2022 – 2027 Bond Program includes 183 capital improvements projects of the City of San Antonio (the “City”), and

**WHEREAS**, the San Antonio Water System (the “System”) facilities may be impacted by the construction or require replacement due to condition; and

**WHEREAS**, the System requires professional engineering services (the “project engineering work”) for the replacement or adjustment of facilities in connection with such projects; and

**WHEREAS**, the engineering work will consist of all services necessary for the design and construction of projects; and

**WHEREAS**, System funds in an amount not to exceed \$10,100,000.00 are required to reimburse the City for the project engineering work; and

**WHEREAS**, the amount of \$10,100,000.00 is available from the Project Fund for the project engineering work; and

**WHEREAS**, a Memorandum of Understanding, to be executed by the System and the City, includes terms for Joint Bid project work between the System and the City and provides for reimbursement to the City for the System's project engineering work and construction costs related to the 2022 – 2027 Bond Program projects; and

**WHEREAS**, the San Antonio Water System Board of Trustees desires (i) to approve reimbursement to the City in an amount not to exceed \$10,100,000.00 for the project engineering work in connection with the 2022 – 2027 Bond Program, (ii) to approve and make available an amount not to exceed \$10,100,000.00 from the System's Project Fund to reimburse the City for the project engineering work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a Memorandum of Understanding with the City for the project work in connection with the 2022 – 2027 Bond Program; now, therefore:

**BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:**

1. That the expenditure of funds in an amount not to exceed \$10,100,000.00 to reimburse the City for the project engineering work in connection with the 2022 – 2027 Bond Program is hereby approved.
2. That an amount not to exceed \$10,100,000.00 to reimburse the City for the project engineering work is hereby made available and is to be expended from the Project Fund.
3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a Memorandum of Understanding with the City for the project work in connection with the 2022 – 2027 Bond Program projects.
4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Code Annotated, as amended, Title 5, Chapter 551, Government Code.
5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
6. This resolution becomes effective immediately upon its passage.



PASSED AND APPROVED this 14<sup>th</sup> day of January, 2025.

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Jelynn LeBlanc Jamison, Chairwoman

ATTEST:

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Amy Hardberger, Assistant Secretary

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## ATTACHMENT I

# MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN ANTONIO AND SAN ANTONIO WATER SYSTEM FOR COORDINATION OF BOND PROGRAM PROJECTS

## Background

The City of San Antonio ("COSA"), and San Antonio Water System ("SAWS"), (collectively referred to as the "Parties"), recognize that effective coordination and management of COSA public works projects and SAWS's capital infrastructure projects associated with the City's Bond Program(s) will lead to efficiencies, cost savings, and timely completion of projects.

This MOU is intended to establish a framework for cooperation and coordination so that projects can move forward in a timely cost-efficient manner for the benefit of both COSA residents and SAWS customers.

## Memorandum of Understanding

### A. Guiding Principles

The following guiding principles shall establish a general framework for coordination and management of Bond projects that involve both COSA and SAWS work:

- a. The Parties will maintain consistent communication and coordination through the entire life cycle of Bond projects with an emphasis on pre-planning and scheduling.
- b. Communications with contractors, stakeholders, affected and surrounding property owners, the press, and the public will be coordinated to ensure consistency, accuracy, and effectiveness of messaging.
- c. Any issues that may result in cost increases or delays will be quickly identified and the Parties will work together to address those issues so that the Dispute Resolution Process becomes the exception and not the rule.
- d. The Parties shall inform and instruct their respective teams to share the objectives and expectations of how joint construction projects should be conducted going forward.

### B. Identification of Existing Infrastructure.

The accurate identification of existing infrastructure, such as water/sewer lines, is central to project design and timing. COSA and SAWS will work together to draft solicitation documents that provide ample time and budget for subsurface investigation to include utility location, environmental conditions, or other subsurface issues related to the project.

Pursuant to City Code, SAWS has the responsibility for accurately identifying its existing utility lines for a project through one or a combination of the following:

- a. Sharing of existing plans, maps, field notes, statistics, and other data depicting the horizontal and vertical locations of all SAWS' facilities in the impacted right of way, or if those do not accurately depict the existing facilities;
- b. Performing Subsurface Utility Engineering (SUE) in accordance with generally accepted engineering definitions, standards, and practices.

SAWS shall be responsible for the cost of "designating" SAWS underground utilities according to SUE Quality Level B and/ or "locating" SAWS underground utilities according to SUE Quality Level A, including "potholing" to accurately identify locations. COSA will timely notify SAWS of upcoming Bond projects and associated schedule that will require SAWS SUE information for design work. If timely notice is provided by COSA, SAWS shall provide SUE information to COSA in a manner that provides sufficient time for COSA to develop design and scope of work for each project. The location work and analysis may be performed by a SAWS contractor during the design phase of a project.

COSA and/or its Design Consultant shall promptly notify SAWS in writing with substantiating information that the location information provided by SAWS is not accurate, or reasonable, prudent, and ordinary engineering practice calls for more specific location information that cannot be readily confirmed by COSA or its Design Consultant by on-the-ground observation and/or measurement.

Each Party agrees to engage and coordinate with the other before the design of the project moves beyond 40 percent completion. Each Party agrees to pay for any necessary redesign of its own infrastructure or lines prior to construction. A Party will not be responsible for redesign costs that could have been avoided or substantially mitigated by coordination with the other Party in the design process before moving beyond 40 percent completion of design.

COSA shall be responsible for the cost of SUE to determine the locations of COSA infrastructure. COSA will share all available information it receives related to other subsurface facilities or infrastructure from other entities (APS Energy, ATT, etc.) to SAWS in a manner that provides sufficient time to develop design and scope of work for each project.

By entering into this MOU COSA does not waive its rights under ROW Ordinance 93319, City Code Chapter 29, Art. IV., Sec. 29-110, including COSA's right to reimbursement for relocation of facilities located in the City's ROW.

### **C. Joint Bid Projects**

"Joint Bid Projects" are projects that are jointly solicited and contracted by COSA/SAWS for design, construction, or both. All Bond projects will be designated Joint Bid Projects unless the Parties mutually agree otherwise. For all Joint Bid Projects, COSA and SAWS will be joint parties and/or joint signatories to an awarded design and/or construction contract, and that joint status will be reflected in the solicitation documents. COSA and SAWS will each individually and collectively have the rights and duties as a party to the joint contract.

For Joint Bid Projects, SAWS and COSA will determine before solicitation whether the project will be managed by SAWS or by COSA based on whether COSA or SAWS work constitutes the majority of the Project scope and cost. The lead Party will be primarily responsible for soliciting, contracting, and managing construction, but the other Party shall remain a joint party to the contract, subject to the terms of this MOU.

The following will generally apply for all Joint Bid Projects:

- The Parties will coordinate to select engineers, architects, contractors, sub-contractors, and other vendors that will be assigned to work on joint projects;
- The Parties shall review and approve engineering plans before start of construction of any infrastructure;
- The Parties will agree to a baseline schedule for each Joint Bid Project, including any schedule modifications;
- The Parties will be responsible to timely inspect their work in progress and, consistent with construction contract terms, shall accept the completion of all work for the construction of that Party's infrastructure determined to be satisfactory;
- If the construction work includes elements tied to SAWS' regulatory compliance, SAWS shall ensure that 1) the specific compliance work is included in the necessary solicitation and contract documents, 2) COSA is aware of the regulatory requirement, and 3) the Parties will implement an inspection schedule to address specific compliance work and to quickly address concerns that construction work may have deviated from contract documents so as to minimize delays, repairs, or re-performance of construction work;
- If a Party determines that work is unsatisfactory, that Party shall immediately convey to the other Party what element of the work it deems unsatisfactory and specifically state what it feels is necessary to bring the work to a satisfactory and acceptable level consistent with contractual requirements;
- If an unsafe or dangerous condition is identified, then the identifying Party may stop work on a temporary basis and coordinate measures to resume work as quickly and safely as possible in consultation with the other Party and the contractor performing the work;
- The Parties will work together to recoup damages associated with delays and unsatisfactory work by contractors or subcontractors taking into consideration: impact on ongoing work, potential delays, other potential claims under the contract, and litigation analysis and costs.

Both parties are responsible for their proportionate costs associated with a project.

Both parties acknowledge that the timely execution of decisions is necessary to maintain the project schedule and limit delays that result in cost increases.

#### **D. High Risk Projects**

"High Risk" Projects shall be designated by agreement between SAWS and COSA, guided by the following Project criteria:

- a. either SAWS or COSA has determined that the Project presents significant design, engineering, or construction challenges;
- b. there is a high likelihood of encountering historical artifacts;
- c. there is a high likelihood of encountering conflicts with unrecorded underground water, sewage, or stormwater-related utilities, due to the age of City infrastructure;
- d. The project is located in one of the following areas:
  1. the downtown or original historic area of the City of San Antonio
  2. in or along congested corridors such as the Medical Center
  3. in a sensitive business district such as St. Mary's Street or Broadway.
- e. The project is critical to or otherwise disrupts a high-profile project or event such as the Hemisfair redevelopment or the NCAA Final Four; or
- f. The project is critical to State or Federal considerations such as emergency evacuation routes or transportation of military vehicles.

For Projects designated High Risk, SAWS and COSA may enter into an additional or substitute MOU that addresses that Project's specific design, construction, and/or stakeholder concerns. Both parties agree to be responsive to each other with the goal of timely completion of the project. Topics including, but not limited to the following, should be addressed in MOUs or contracts associated with High Risk projects:

- The allocation of the Parties' proportional share of responsibilities, rights, authority, and costs, for that project;
- The respective Parties' rights and obligations for direction and control of the contractors and subcontractors;
- A review process for decisions that will result in redesign, de-scoping, or a change of schedule for the overall project;
- A schedule for review and approval of pay applications, shop drawings, material submittals, Request for Information (RFI), contractor delay claims (TIA), and any other form or submittal requiring review and/or approval in accordance with the contract documents.

Each "High Risk" project will have a designated individual authorized to execute or recommend decisions, consistent with the Party's policies and procedures (which may include approval by the SAWS Board of Trustees or San Antonio City Council) and act as a "project director". The designated project director for each Party shall have sufficient knowledge and understanding of the project scope and schedule to make informed decisions regarding matters related to their Party's work on the project. Consistent with the terms of this MOU, the project directors will abide by requirements for coordination and consultation with the other Party regarding any decision that will impact the overall project's scope, budget or schedule and will be responsible for identifying matters that must be escalated through COSA or SAWS leadership, a Dispute Resolution Board, the escalation matrix, or another established Dispute Resolution process.

High Risk projects may include the establishment of a standing Dispute Resolution Board at the

outset of the project, or group of projects, consistent with the framework in Section F below, that can review emergent matters associated with potential design deficiencies, project management, change orders, or other matters that impact a project, or designated group of projects.

#### **E. Reimbursement of Costs**

Each Party will reimburse the other Party for each project for design and construction costs and any other costs under this MOU in Joint Bid Projects within 30 days of receipt and approval of an invoice from the lead Party. Invoices may be submitted periodically over the course of design and construction.

#### **F. Dispute Resolution**

Over the course of project development, issues may arise in which COSA and SAWS will have conflicting positions or disputes related to the project, such as responsibility for delays and associated costs.

The Parties will establish a Dispute Resolution Board (DRB) that may be engaged when issues require escalation to the level of review and consideration. A DRB may be identified at the outset of a project so that it can be engaged in a timely manner when necessary. The Parties may designate a DRB to review matters associated with a single project, or a group of projects.

The DRB will be comprised of three members. COSA and SAWS will select one member each and the two selected members will then select a third party that will serve as Chairman. Criteria and expertise for the Board members will be determined before the appointment. The Parties will also determine the criteria, expense, timing, compensation, and other process protocols based on the nature and scope of the dispute.

Notwithstanding the above, the Parties acknowledge that issues are best resolved timely and efficiently, preferably at the lowest possible level of project management in proportion to the nature and scope of the conflict. The Parties will endeavor to use the Escalation Matrix below to resolve major project issues that impact the critical path of the project's schedule. The City Manager and SAWS President/CEO may mutually agree to extend the time for review at any of the levels identified below.

<b>COSA Positions</b>	<b>SAWS Positions</b>	<b>Estimated Business Days to Resolve</b>
Project Manager	Construction Management	5
Engineering Programs Manager	Manager – Construction	2
Assistant City Engineer	Director – Construction	3
Assistant Director / Director	Vice President – Engineering & Construction	3
City Manager	President CEO	5
Dispute Resolution Board		15

To facilitate timely resolution of project issues and avoid undue delays and mitigate costs overruns, if the COSA City Manager and the SAWS President/CEO do not resolve the dispute within the timeframe outlined within the Escalation Matrix, then the Parties will engage the Dispute Resolution Board that will evaluate the dispute and provide a recommended resolution to COSA and SAWS. The Board will review the submitted dispute fairly and impartially. After review of a submitted dispute, which might include a request for additional information, the Board will provide a written recommendation to COSA and SAWS with a brief explanation of its reasoning. The COSA City Manager and SAWS President/CEO will accept the recommendation of the Board as the resolution of the dispute, subject to Board or City Council approval as may be required, unless they mutually agree that the Board recommendation is not in the best collective interest of COSA and SAWS.

#### **G. Effective Date and Term.**

This MOU shall become effective upon the signatures of both Parties and will have a term of five years unless the Parties mutually decide to terminate.

**City of San Antonio**

**San Antonio Water System**

**By:** \_\_\_\_\_  
Erik Walsh  
City Manager

\_\_\_\_\_  
Robert R. Puente  
President/CEO