

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Kathleen Lowman, President
DATE: January 14, 2019
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

A Regular Meeting of the STWA Board of Directors is scheduled for:

Tuesday, January 22, 2019
5:30 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

The Board will consider and act upon any lawful subject which may come before it, including among others, the following:

Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. Proposed Fiscal Year 2018 Audit. (Attachment 1)
4. **Resolution 19-01.** Resolution accepting the Fiscal Year 2018 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas. (Attachment 2)
5. Tax Increment Reinvestment Zone 1 – Historic Downtown Kingsville, Texas (Attachment 3)
6. Approval of Minutes. (Attachment 4)
7. Quarterly Report/Treasurer's Report/Payment of Bills. (Attachment 5)
8. Update on TCEQ Enforcement Action and State Office of Administrative Hearings. (Attachment 6)
9. Water Supply Contract with the City of Bishop. (Attachment 7)
10. License Agreement with City of Bishop for Pump Station Facilities. (Attachment 8)
11. Purchase of real property at site of City of Bishop Pump Station Facilities. (Attachment 9)

12. Water Supply Contract with City of Driscoll. (Attachment 10)
13. Bids for the purchase of one trackhoe/excavator. (Attachment 11)
14. **Resolution 19-02.** Resolution awarding the bid for the purchase of one trackhoe/excavator. (Attachment 12)
15. Trailer for hauling track hoe/excavator. (Attachment 13)
16. Truck for hauling heavy equipment. (Attachment 14)
17. Petition for Addition of Certain Lands to the South Texas Water Authority (Ryan M. Esquivel and Tabitha F. Esquivel – North east half of Tract 17 of Cyndie Park Unit 2, Nueces County, Texas). (Attachment 15)
18. **Resolution 19-03.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Ryan M. Esquivel and Tabitha F. Esquivel – North east half of Tract 17 of Cyndie Park Unit 2, Nueces County, Texas). (Attachment 16)
19. Adjournment.

The Board may go into closed session at any time when permitted by Chapter 551, Government Code. Before going into closed session a quorum of the Board must be assembled in the meeting room, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551, Government Code, authorizing the closed session.

KL/CGS/fdl
Attachments

This meeting notice was posted on STWA's website, www.stwa.org, and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 3:00 am/pm on January 18, 2019.

Danilo De Leon
Assistant Secretary

ATTACHMENT 1

FY2018 Audit

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 15, 2019
Re: Fiscal Year 2018 Audit

Background:

As a governmental entity an annual audit is necessary to safeguard the Authority's funds and insure that proper record keeping and financial measures are in place. John Womack and Company has examined the Authority's files and enclosed is the Fiscal Year 2018 audit. Once the audit is approved, it is provided to South Texas Water Authority's wholesale customers, the Texas Commission on Environmental Quality, Texas State Comptroller, and rating entities.

Analysis:

The FY 2018 audit has no findings of improper financial management and proper financial controls are in place. A representative of John Womack and Company will be available at the meeting to present the details of the audit and answer any questions.

Staff Recommendation:

After review and the presentation, adopt the Fiscal Year 2018 audit by approving Resolution 19-01.

Board Action:

Determine whether to approve the Fiscal Year 2018 audit by adopting Resolution 19-01.

Summarization:

Jo Ella Wagner, Finance Manager, and Noemi Flores, Accountant Assistant, have continued to operate in a manner resulting in clean audits year after year.

ATTACHMENT 2

Resolution 19-01

SOUTH TEXAS WATER AUTHORITY

Resolution 19-01

A RESOLUTION ACCEPTING THE FISCAL YEAR 2018 AUDIT PREPARED BY JOHN WOMACK & CO., P.C. OF KINGSVILLE, TEXAS.

WHEREAS, the South Texas Water Authority is a functioning Reclamation and Conservation District established by the Texas Legislature, and

WHEREAS, the South Texas Water Authority is required to submit an annual audit in accordance with the Financing Reporting Requirements as established by the Texas Commission on Environmental Quality, and

WHEREAS, the Authority has received and reviewed the Fiscal Year 2018 Audit.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board of Directors accepts the audit prepared by John Womack & Co., P.C. of Kingsville, Texas, for submission to the Texas Commission on Environmental Quality.

Duly adopted this 22nd day of January, 2019.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, SECRETARY/TREASURER

ATTACHMENT 3

Tax Increment Reinvestment Zone 1

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 15, 2019
Re: Kingsville Tax Increment Reinvestment Zone

Background:

As reported in a recent weekly update, our office was contacted by the City of Kingsville's Planning Director, Tom Ginter, regarding a Tax Increment Reinvestment Zone (TIRZ). On December 13, 2018, I met with Mr. Ginter, City Manager Jesus Garza and Downtown Manager Cynthia Martin. Enclosed is information provided on the TIRZ the City has created. A Tax Increment Base Value of the properties is set when the TIRZ is created. Each year a recalculation of the property growth is done based on the previous year's Base Value.

Also enclosed is general information on TIRZs from the Texas Comptroller's website. Establishment of a TIRZ has the effect of taxes being channeled to a Tax Increment Fund (TIF) earmarked for specific uses. The taxes that are channeled into the TIF are those above the Tax Increment Base Value taxes based on a percentage set by a participating governing entity. A board is created to make recommendations to the City about projects and the TIF. The enclosed information lists the types of projects the earmarked taxes could be used for, such as street signs, landscaping, park property, benches, trash receptacles, sidewalks, building façade preservation, remediation of contamination, affordable housing, and railroad/transit facilities.

Analysis:

The TIRZ area established by the City takes in about 27 city blocks. According to Exhibit B of the City's report, it is estimated that slightly less than \$9,600 would be collected (at a 100% level above the Tax Increment Base Value) from STWA-TIRZ taxes over a 30-year period. Participation by any one entity, other than the City, is not a requirement for the TIRZ to exist. Finally, it is important to note that the properties within the TIRZ are not taxed at any rate or amount higher than under normal circumstances. The success of the TIRZ seems to be dependent on the area becoming revitalized with improvements and growth above the set Base Value.

If the STWA Board determines that it approves participation in the TIRZ, STWA would need to set the percentage of the increased taxes that would be dedicated to the TIF. This can be based in one of two ways – on the taxes assessed or on the taxes collected.

Staff Recommendation:

Consider approving participation in the TIRZ established by the City.

Board Action:

Determine whether to participate in the Kingsville Historic Downtown TIRZ and, if approved, at what percentage level.

Summarization:

Staff's understanding is that improvements made to the Kingsville Downtown area will result in economic improvements that would impact the entire City and grow the overall tax base.

mcserrato@stwa.org

From: mcserrato@stwa.org
Sent: Tuesday, January 15, 2019 3:34 PM
To: 'Tom Ginter'
Cc: Tina Flores; Melissa T. DeLaGarza; Frances Rosales; Jo Ella Wagner; Cynthia Martin
Subject: RE: TIRZ review by authority

Tom,

I am in the process of writing memos for the Jan 22 Board meeting's agenda packet, including the City of Kingsville's Tax Increment Reinvestment Zone (TIRZ). My meeting notes from our December 13th meeting indicate that the City Council approved the creation of the TIRZ.

I downloaded information from the Comptroller's website and came across their FAQ webpage. One of the questions is "*Who collects the tax increments?*" The comptroller's answer is "*Each participating taxing unit arranges to collect its own taxes.*" Since STWA contracts for collections with the County, I contacted Tax Assessor Collector Melissa DeLaGarza (copied on email) to see how the process would work. Melissa advised me to contact Chief Appraiser Tina Flores (also copied on email) to ask about the Appraisal District's software and whether the parcels would have a special classification to identify them as part of the TIRZ.

As such, I am wondering if the City already created a list of the parcels that are within the TIRZ? Also, do you have any information to share on the process? I think this question may be asked by members of the STWA Board.

As we discussed during the December 13th meeting, I understand that only the M&O portion of STWA's assessed taxes against those parcels within the TIRZ would be directed to the City's fund. However, it is not clear whether the County would send the collections directly to the City on STWA's behalf. Or would STWA receive the taxes and be invoiced by the City for the TIRZ portion?

As is understandable and depending on the complexity of the process, I believe it raises the question of whether there would be any additional Collection charges, which would be a negotiation between STWA and Kleberg County.

Any information you can provide would be very much appreciated.

Thanks,
Carola

Carola G. Serrato
Executive Director
South Texas Water Authority
PO Box 1701
Kingsville, Texas 78364
361-592-9323 x112

From: Tom Ginter <tginter@cityofkingsville.com>
Sent: Thursday, January 10, 2019 9:09 AM
To: mcserrato@stwa.org
Subject: RE: TIRZ review by authority

Ok, thanks
Tom

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Thursday, January 10, 2019 9:12 AM

To: Tom Ginter <tginter@cityofkingsville.com>

Subject: RE: TIRZ review by authority

I don't think it will be necessary; but, you are more than welcome to attend.

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

From: Tom Ginter <tginter@cityofkingsville.com>

Sent: Thursday, January 10, 2019 8:49 AM

To: mogserrato@stwa.org

Subject: TIRZ review by authority

Carola:

Just want to follow up that the TIRZ item will be on the January 29, 2019 agenda? If you need any body present from the City please let me know, thanks.

Tom Ginter

Director of Planning and Development Services

City of Kingsville

(O) 361-595-8053

(C) 361-219-8830

From: Tom Ginter <tginter@cityofkingsville.com>
Sent: Wednesday, January 16, 2019 10:02 AM
To: mcserrato@stwa.org
Subject: FW:
Attachments: doc01057820190116095948.pdf

Carola:
Attached is a listing of the properties in the TIRZ by address. I will get back to you later today on the other question that you had.
Thanks
Tom Ginter

From: Stephannie Resendez
Sent: Wednesday, January 16, 2019 10:00 AM
To: Tom Ginter <tginter@cityofkingsville.com>
Subject:

Stephannie Resendez
Administrative Assistant II
Planning and Development Services
Office: (361)-595-8055
Cell: (361)-846-0099

Assessed Property Values of Proposed TIRZ					
Address		Owner	2017 Value	2016 Value	2015 Value
201 E Kleberg	King Ranch Saddle Shop	King Ranch Inc.	\$ 340,480	\$ 340,380	\$ 340,350
204 E Kleberg	Harrel's Pharmacy	Harrel Drug Co. Inc.	\$ 38,510	\$ 38,510	\$ 38,020
208 E Kleberg	Harrel's Pharmacy	Harrel Drug Co.	\$ 169,520	\$ 169,520	\$ 167,040
210 E Kleberg	Harrel's Too	Harrel Drug Co. Inc.	\$ 39,070	\$ 39,070	\$ 45,000
211 E Kleberg	Blue Quail Design (205), Cactus Flower (211)	Michael J Krueger	\$ 122,710	\$ 122,710	\$ 122,710
213 E Kleberg	Linda's Main Street Café	Maria G Garcia	\$ 32,690	\$ 32,690	\$ 33,090
214 E Kleberg	King Barber Shop	Odis Michalk	\$ 25,000	\$ 25,000	\$ 25,490
215 E Kleberg	World Finance	Maria G Garcia	\$ 21,450	\$ 33,100	\$ 33,410
216 E Kleberg	Kleberg County Title	Jones Virginia S	\$ 29,230	\$ 29,230	\$ 29,930
217 E Kleberg	Roy's Hobbies & Electronics	Roy Alwin Elmore III	\$ 27,970	\$ 27,970	\$ 26,560
218 E Kleberg	Regional Finance	Melissa K Fuchs	\$ 19,390	\$ 19,390	\$ 14,660
219 E Kleberg	La Potpourri	William S Webb Estate	\$ 36,630	\$ 36,630	\$ 36,520
220 E Kleberg Suite A	Vacant	Gonzalez Antonio V Jr	\$ 25,570	\$ 25,570	\$ 25,570
220 E Kleberg Suite B	Oliver's Jewelry	Anita Garcia	\$ 27,460	\$ 27,460	\$ 27,640
221 E Kleberg	Vacant -undergoing rehabilitation	ABC Dry Cleaning Systems Inc.	\$ 87,150	\$ 86,370	\$ 85,760
222 E Kleberg	Geotsch Music	Wesley L Goetsch Estate	\$ 53,360	\$ 53,360	\$ 51,390
224 E Kleberg	Overcomer's Outreach Community Church	The Overcomer Outreach	\$ 32,480	\$ 32,480	\$ 32,480
225 E Kleberg	Western Finance (225A), vacant (225B)	Martha M Cavazos	\$ 53,850	\$ 53,850	\$ 53,850
226 E Kleberg	Vacant -used for storage of business records	Virginia S Jones	\$ 9,730	\$ 9,730	\$ 9,500
228 E Kleberg	Can-Go Insurance Agency	Mary Lou C Gonzalez	\$ 19,290	\$ 19,290	\$ 23,780
230 E Kleberg	Cherry Tree Team Room	Laughlin Partners LTD	\$ 57,140	\$ 57,140	\$ 57,600
301, 307 E Kleberg	Vacant building	LRE Properties LLC	\$ 42,209	\$ 42,209	\$ 32,854
302 E Kleberg blk	Vacant building	Michael James Krueger	\$ 189,130	\$ 189,130	\$ 134,780
306 E Kleberg	Spa Hacienda	Michael James Krueger	\$ 31,020	\$ 31,020	\$ 29,710
309 E Kleberg	Vacant building	Enrique Molina	\$ 21,930	\$ 30,810	\$ 29,750
308, 310, 312 E Kleberg	Yola's Skate Qulps 308, Yola's Boutique 310, vacant 312	Jody Van Fleet	\$ 26,540	\$ 26,540	\$ 26,730
313 E Kleberg	Vacant - 311 for rent & 313 used for storage	W&M Allen Holdings LLC	\$ 50,980	\$ 50,980	\$ 50,980
314, 316 E Kleberg	Leadership Martial Arts (314), Service Loan & Tax (316)	Garcia Xavier	\$ 38,460	\$ 38,460	\$ 40,120
317 E Kleberg	South Texas Martial Arts	Juan Antonio Herrera Jr	\$ 78,240	\$ 78,240	\$ 70,680
318 E Kleberg	Downtown Diva's Boutique and Salon	Marshal G Bass	\$ 28,340	\$ 28,340	\$ 28,340
319 E Kleberg	Al's Hair Design	Adelmo G Luera	\$ 24,230	\$ 24,230	\$ 24,760
320 E Kleberg	Galore & More	Jose Gilberto Silguero II	\$ 28,160	\$ 28,160	\$ 28,160
322 E Kleberg	Vacant building - undergoing renovation	Francisco Suozo	\$ 25,130	\$ 25,130	\$ 25,130
323 E Kleberg	Vacant building - for sale	Cal Collins	\$ 36,880	\$ 36,880	\$ 31,850
326 E Kleberg	All American Cheer	Armando Gonzales	\$ 60,760	\$ 60,760	\$ 56,320
327 E Kleberg	Vacant, former Texas Theater	Cal Collins	\$ 92,940	\$ 92,940	\$ 104,580
328, 330 E Kleberg	ROC Expressions (328), Lone Star Barbers (330)	Jose Ochoa	\$ 39,780	\$ 39,870	\$ 42,460
400 E Kleberg blk	Two Dove Outfitters	Paul Baca	\$ 87,330	\$ 87,630	\$ 72,840
409 E Kleberg	HEB Grocery Inc.	HEB Grocery Inc.	\$ 2,068,250	\$ 2,068,250	\$ 2,005,270
418 E Kleberg	Vacant (former Ford dealership)	K A Childs Jr Estate	\$ 301,970	\$ 161,180	\$ 163,900
504, 506 E Kleberg	Salon de Lis Spa & Boutique	Elizabeth Munoz	\$ 87,820	\$ 92,410	\$ 95,570
512 E Kleberg	Kingsville Law Enforcement Association	Kingsville Law Enforcement Assoc.	\$ 7,090	\$ 7,570	\$ 7,570
516 E Kleberg	Covington Credit	Antonio V Gonzalez Jr	\$ 98,970	\$ 95,270	\$ 95,270
526 E Kleberg	Sames Auto Collision Center	Yaklin Eddie	\$ 224,950	\$ 172,410	\$ 175,000
527 E Kleberg	Don's Cleaners	Harperco Investment LLC	\$ 84,160	\$ 83,550	\$ 78,280
601/611 E Kleberg	Family Counseling Service (601), Trendsetter T's (611)	Haleigh Rentals LLC	\$ 119,240	\$ 98,650	\$ 98,650
604 E Kleberg	Vacant (former National Guard Building)	Michael J Krueger	\$ 244,150	\$ 231,750	\$ 231,750

617 E Kleberg	Michael J Kruger Law Office	Michael J Krueger	\$ 204,440	\$ 215,510	\$ 215,500
629 E Kleberg	Vacant land	Vicki Lynn Stubblefield	\$ 7,000	\$ 7,500	\$ 7,500
100 N 6th St blk	Kleberg First National Bank	Kleberg Bank NA	\$ 1,485,580	\$ 1,190,280	\$ 1,190,280
100 N 6th St blk	Drive-in ATM	Kleberg Bank NA	\$ 48,810	\$ 48,810	\$ 48,810
100 N 6th St blk	Parking lot & carport	Kleberg Bank NA	\$ 9,080	\$ 4,070	\$ 4,070
200 E Yoakum blk	Parking lot	Kleberg Bank NA	\$ 10,230	\$ 10,230	\$ 10,230
200 E Yoakum blk	Parking lot	Kleberg Bank NA	\$ 15,350	\$ 15,350	\$ 15,350
300 E Yoakum blk	Vacant land	Michael J Krueger	\$ 60,000	\$ 60,000	\$ 60,000
131 N 8th Street	Falcon Auto Glass	Valentin Falcon Jr.	\$ 133,220	\$ 106,360	\$ 78,170
119 N 7th Street	Mendoza Law, Angels of God Homehealth, Gulf Coast Roofing, Qua	Guadalupe O Mendoza	\$ 76,820	\$ 66,220	\$ 66,220
115 N 7th Street	Kingsville Title Co.	Kingsville Investments inc.	\$ 42,500	\$ 32,110	\$ 32,180
620 E King	Frontier Center	Haleigh Rentals LLC	\$ 327,900	\$ 327,900	\$ 327,900
606 E King	Spice Station	Charania Zohair dba Spice Station	\$ 189,860	\$ 189,860	\$ 189,860
330 E King	Southwestern Bell offices & yard (not open to public)	Southwestern Bell Telephone Co.	\$ 399,710	\$ 298,500	\$ 298,330
300 E King	Bank of South Texas	State Bank of Kingsville	\$ 406,210	\$ 406,210	\$ 419,960
230 E King	Embroid Me, Cimarron Engineering	G Star Properties LLC	\$ 285,380	\$ 285,380	\$ 275,430
218 E King	King Ranch Saddle Shop parking lot	King Ranch inc.	\$ 31,150	\$ 31,150	\$ 31,150
120 S 6th Street	King Ranch Showroom	King Ranch inc.	\$ 381,590	\$ 381,590	\$ 373,300
200 E Yoakum	Green Jay Bar & Grill	Michael J Krueger	\$ 163,070	\$ 163,070	\$ 169,700
230 E Yoakum	Vacant - former Neesen dealership	Michael J Krueger	\$ 109,860	\$ 105,170	\$ 91,730
200 N 6th St. block	Parking lot	Michael J Krueger	\$ 23,640	\$ 23,640	\$ 21,300
201 E Henrietta	Sam Fugate Law Firm (new bldg. 2010)	Sam Fugate	\$ 228,450	\$ 205,900	\$ 191,580
217 E Henrietta	Vacant commercial to front; residence in rear	Nicholas Moreno	\$ 50,920	\$ 50,920	\$ 51,070
302 N 6th Street	Vacant building- restored Gulf Station	Blake Bryan Enterprises LLC	\$ 42,420	\$ 42,420	\$ 44,280
208 E Henrietta	Residence	Glenda Chase	\$ 18,380	\$ 18,380	\$ 18,380
212 E Henrietta	Residence	Tricia Richardson	\$ 23,320	\$ 23,320	\$ 22,920
312 N 6th Street	Vacant building	Blake Bryan Enterprises LLC	\$ 107,950	\$ 107,950	\$ 106,490
330 N 6th Street	Vacant land	Lankford Hees LLC	\$ 18,750	\$ 18,750	\$ 18,750
205 E Lee	Vacant land	Blake Bryan Enterprises LLC	\$ 6,000	\$ 6,000	\$ 6,000
402 N 6th Street	Tejas Auto Insurance, Mind Body Fit	Maria E Asch	\$ 59,610	\$ 45,290	\$ 47,340
206 E Lee	Garza Heating & AC	Octavio Pena Garza	\$ 44,290	\$ 44,250	\$ 43,950
214 1/2 E Lee	Vacant land	Guadalupe Garza	\$ 6,000	\$ 6,000	\$ 6,000
406 N 6th Street	Texas Ranch Club	Leo Saenz	\$ 132,350	\$ 132,350	\$ 131,990
400 N 6th Street blk	Henrietta Memorial Center	King Ranch inc.	\$ 200,300	\$ 200,300	\$ 197,430
105 S 5th Street	former Kingsville Publishing	KingRanch Inc.	\$ 142,800	\$ 172,580	\$ 187,230
119 S 5th Street	Vacant land (bldg demolished in 2003)	King Ranch inc.	\$ 13,000	\$ 13,000	\$ 13,000
109 N 5th Street	Alpha Engineering	Homero Castillo	\$ 43,340	\$ 43,340	\$ 43,340
111 N 5th Street	Glamour Studio	Magdalena Salinas	\$ 20,060	\$ 20,060	\$ 20,060
213 W Kleberg	Alyda Home Healthcare	Kingsville Sleep Center Inc.	\$ 52,770	\$ 52,770	\$ 52,770
219 W Kleberg	J & A Vision Clinic	Trustee for Angela N Prado	\$ 76,230	\$ 54,520	\$ 54,250
223 W Kleberg	Randall C Olsen, DDS	Randall C Olsen	\$ 63,740	\$ 65,540	\$ 65,320
225 W Kleberg	Larry's Hair Studio (sold 2016)	De La Garza Larry	\$ 11,540	\$ -	\$ -
227 W Kleberg	Kingsville Clinic	Hemmert Irrev Trust	\$ 225,570	\$ 225,750	\$ 225,570
200 W King Blk	Parking lot	King Ranch inc.	\$ 14,090	\$ 14,090	\$ 14,000
224 W King	South Texas Home Health	Village Travel Services Inc.	\$ 94,450	\$ 88,480	\$ 88,480
230 W King	Ernest C McCall, DDS	Ernest C McCall	\$ 181,390	\$ 181,390	\$ 128,410
225 E King	Forke's Office Supply	Rogelio Garza	\$ 164,550	\$ 163,080	\$ 174,150
203 E King	Premier Medical Supply	Herman Ohlenbusch	\$ 184,000	\$ 182,680	\$ 173,620
228 E Kenedy	Residential	Hector Islas Cortez	\$ 78,950	\$ 78,950	\$ 78,950

222 E Kenedy	Residential	Juan Saldana Sr Estate	\$ 45,210	\$ 45,210	\$ 49,750
218 E Kenedy	Residential	Mario Alberto Maldonado	\$ 42,110	\$ 42,110	\$ 41,680
230 S 6th St	C & A Service & Tires (Goodyear)	Wilson Family Partners LLC	\$ 134,290	\$ 134,290	\$ 136,360
201 S 6th St	USA Transmissions	Herman Ohlenbusch	\$ 56,735	\$ 53,616	\$ 53,495
213 S 6th St.	Zarsky Lumber	Zarsky Lumber	\$ 121,250	\$ 116,290	\$ 116,310
200 S 5th blk	Kleberg Bank Drive-Through (101 W King)	Kleberg First National Bank	\$ 342,210	\$ 151,240	\$ 342,210
203 W King	Weatherly Apartments (two buildings)	Albert Garcia	\$ 75,860	\$ 75,860	\$ 73,530
207 S 5th S	Apartments & office	Joe T Hibler	\$ 231,640	\$ 228,870	\$ 225,940
219 S 5th St	Warehouse	Joe T Hibler	\$ 55,030	\$ 55,030	\$ 61,220
213 W King	Apartments	Michael J Kreuger	\$ 82,850	\$ 89,930	\$ 89,960
215 W King	Apartments	Rajab Chaloo	\$ 57,570	\$ 57,570	\$ 53,220
223 W King	Parking lot	Shreeful Inc.	\$ 21,000	\$ 21,000	\$ 21,000
227 W King	Rita's Stop Valero	Shreeful Inc.	\$ 106,850	\$ 106,850	\$ 120,980
216 W Kenedy	Metal building	Hibler Taxidermists Inc.	\$ 22,980	\$ 22,980	\$ 20,560
200 W Kenedy blk	Commercial building & carport	Joe Hibler	\$ 15,130	\$ 15,130	\$ 16,630
220 W Kenedy	Residence	Claude Raymond Leeson Jr	\$ 62,510	\$ 62,510	\$ 70,420
226 W Kenedy	Residence	Frank Quinones	\$ 34,670	\$ 34,670	\$ 34,670
309 W King	Southern Style Salon	Richard L Westbrook III	\$ 63,960	\$ 63,820	\$ 63,600
311 W King	Vacant land	Richard L Westbrook III	\$ 5,000	\$ 5,000	\$ 5,000
313 W King	Residence - for sale	Randal E Nielsen	\$ 58,220	\$ 58,220	\$ 58,020
321-325 W King	Icehouse Salon, American Honey, SG Appliance	Autry Glenn McBryar	\$ 146,320	\$ 146,320	\$ 145,660
302 W Kenedy	Residence	Roiando Rios	\$ 48,240	\$ 48,410	\$ 45,640
215 S 4th St.	Residence	Roy Cox Estate	\$ 42,650	\$ 42,650	\$ 42,650
310 W Kenedy	Vacant land	Rebecca De La Garza	\$ 3,500	\$ 3,400	\$ 3,500
312 W Kenedy	Residence	Elisa G Garza	\$ 31,510	\$ 31,510	\$ 31,510
316 W Kenedy	Residence	Kathi Moneith	\$ 29,580	\$ 29,580	\$ 29,510
326 W Kenedy	Residence	Alejandro Silva	\$ 23,820	\$ 23,820	\$ 23,820
328 W Kenedy	Residence	Dalla Guerrero	\$ 41,520	\$ 41,520	\$ 50,030
			\$ 14,126,174	\$ 13,236,195	\$ 13,220,839
		Overall percent change 8.00%	6.70%	0.30%	1.00%



PRELIMINARY PROJECT AND FINANCING PLAN
TAX INCREMENT REINVESTMENT ZONE #1,
HISTORIC DOWNTOWN KINGSVILLE, TEXAS
August 31, 2018



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4. Exhibits

Exhibit A—“TIRZ #1, Historic Downtown, Legal Description”

Exhibit B— “Estimated Captured Appraised Value by Year”

1. OVERVIEW

1.1. Background

The City of Kingsville (The "City") is a Texas home rule municipality incorporated in 1911. Kingsville is located approx. 45 miles West of Corpus Christi and approx. 160 miles South of San Antonio. The City is the Kleberg County (The "County") seat of Government. As such, Kingsville is the largest city in the County and provides numerous indispensable services benefitting area residents county-wide. Kingsville is home to Texas A & M University - Kingsville, Naval Air Station - Kingsville, a Border Patrol station and Kleberg County Regional Airport which offers charter and private facilities.

Although Kingsville is home to many of the County's top services and amenities, its population growth experienced a decrease in population in the 1980s that recent population increases have yet to offset. The population Kingsville has closely tracked the population of Kleberg County, with only a small portion of the county population outside the city. While some population growth occurred in the 1920s and 1930s as a result of the founding of South Texas State Teachers College in 1925, the bulk of the historical growth was precipitated by the establishment of the Naval Air Station - Kingsville in 1942 shortly after the U.S. entered World War II. Enrollment at the University experienced a postwar boom until the 1970s, after which population growth slowed and then stopped. The population of the City is set to increase by roughly a third over the next three decades from 2010 to 2040. The Texas State Data Center, forecasts the population of Kingsville to increase to 32,274 by 2040. See Map Figure 1, City Limits and ETJ and Table Figure 2, Kingsville Population Trends.

Map Figure 1 - City Limits and ETJ

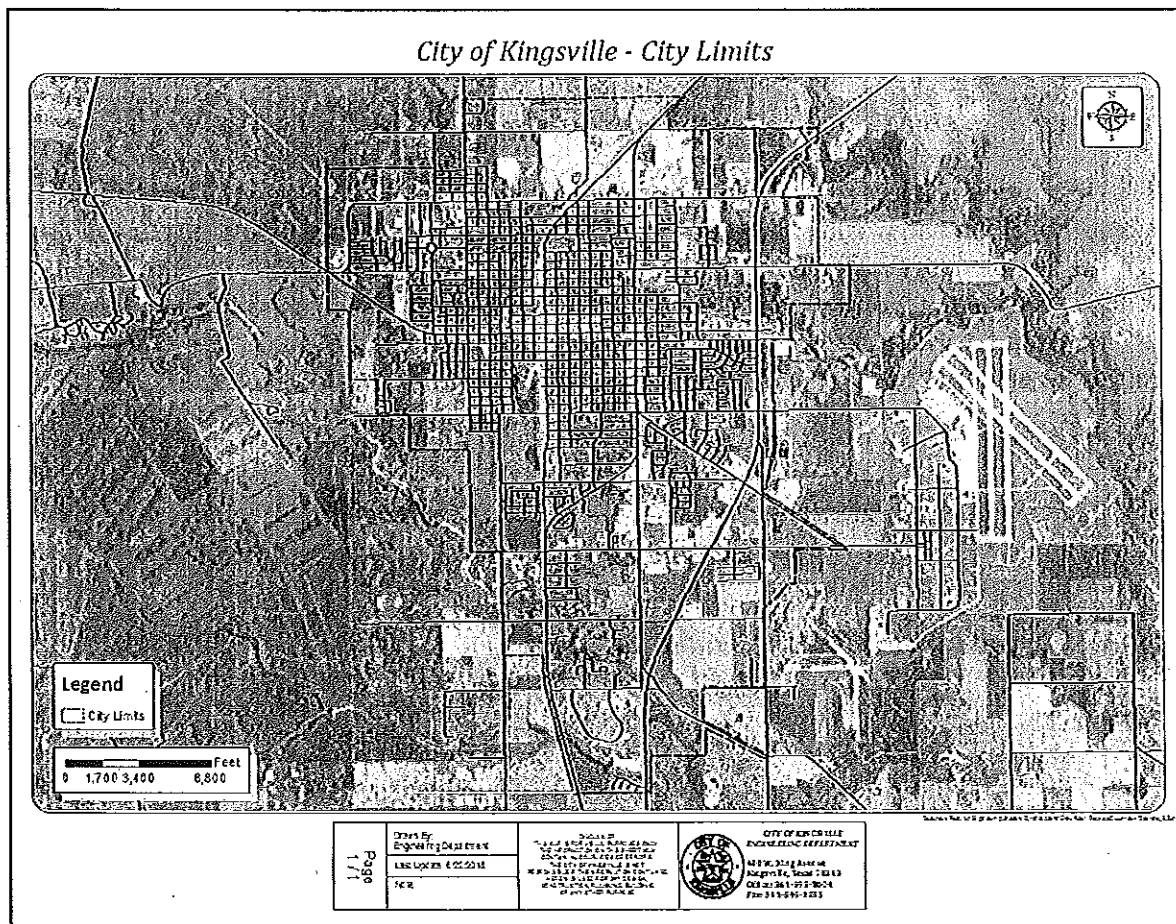


Table Figure 2, Kingsville Population Trends

Table 2: Kingsville and Kleberg County: Population Growth, 1920-2050 (projected population for 2020-2050)

Year	Kingsville	Growth	Kleberg	Growth
1920	4,770	--	7,837	--
1930	6,815	42.9	12,451	58.9
1940	7,782	14.2	13,344	7.2
1950	16,898	117.1	21,991	64.8
1960	25,297	49.7	30,052	36.7
1970	28,995	14.6	33,166	10.4
1980	29,949	3.3	33,358	0.6
1990	25,276	-15.6	30,274	-9.2
2000	25,575	1.2	31,549	4.2
2010	26,213	2.5	32,061	1.6
2020	26,868	2.5	35,587	11.0
2030	29,447	9.6	39,003	9.6
2040	32,274	9.6	42,240	8.3
2050	34,920	8.2	45,746	8.3

Source: U.S. Census Bureau, Texas State Data Center

Attracting and incentivizing new commercial and economic growth is critical to the viability of the City of Kingsville. This Preliminary Project and Financing Plan outlines the City's specific opportunity to utilize Tax Increment Financing ("TIF") in accordance with the requirements of Chapter 311 of the Texas Tax Code to spur new economic growth in its Historic Downtown District.

1.2 The Challenge

1.2(a) Description of the Zone

Kingsville's citizens and leaders realize that in sustaining gradual, deliberate growth and attracting new economic development, we must preserve the intrinsic qualities that are unique to our town. In early 2017, the City developed a Vision Plan for Kingsville's Downtown identifying recommended land uses and the layout and form of the development/redevelopment, along with improvements relating to streets and parking areas, vehicular and pedestrian access and circulation, streetscaping and amenities, signage and lighting and infrastructure upgrades.

Downtown Kingsville, like many other downtown areas in towns of comparable size, was once the heart of the City and the center for commerce; however, once major thoroughfares were constructed, growth and business naturally gravitated south and Downtown Kingsville faced significant disinvestment and is still plagued by such declining growth today. See *Table Figure 3, Downtown Zone Taxable Value Analysis*.

Table Figure 3, Downtown Zone Taxable Value Analysis

YEAR	2015	2016	2017
INCREMENT	\$152,640	\$15,536	\$889,979
TOTAL	\$13,220,839	\$13,236,195	\$14,126,174
% CHANGE	1.15%	0.12%	6.30%

Average Annual Growth Rate = 2.52%

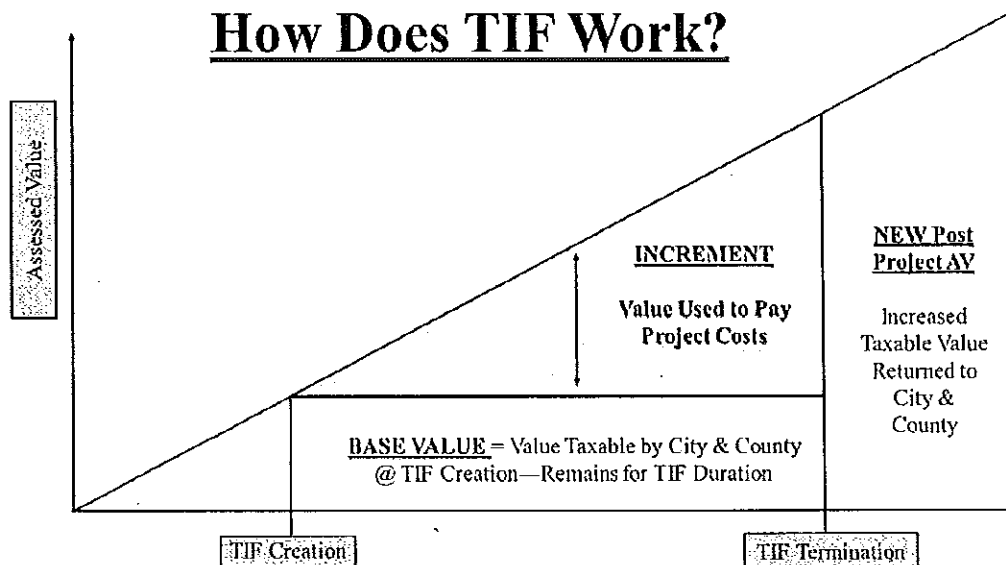
Accordingly, the City should work to re-establish Downtown Kingsville as a pedestrian commercial and entertainment destination and seize the economic opportunities therein.

The re-establishment of Downtown Kingsville is met with several specific challenges including:

- Substandard public infrastructure that impedes pedestrian sociability and mobility
- Numerous building vacancies and current aesthetics discourage development in the area
- Deteriorating façades need to be upgraded/improved to maintain historic integrity of the area

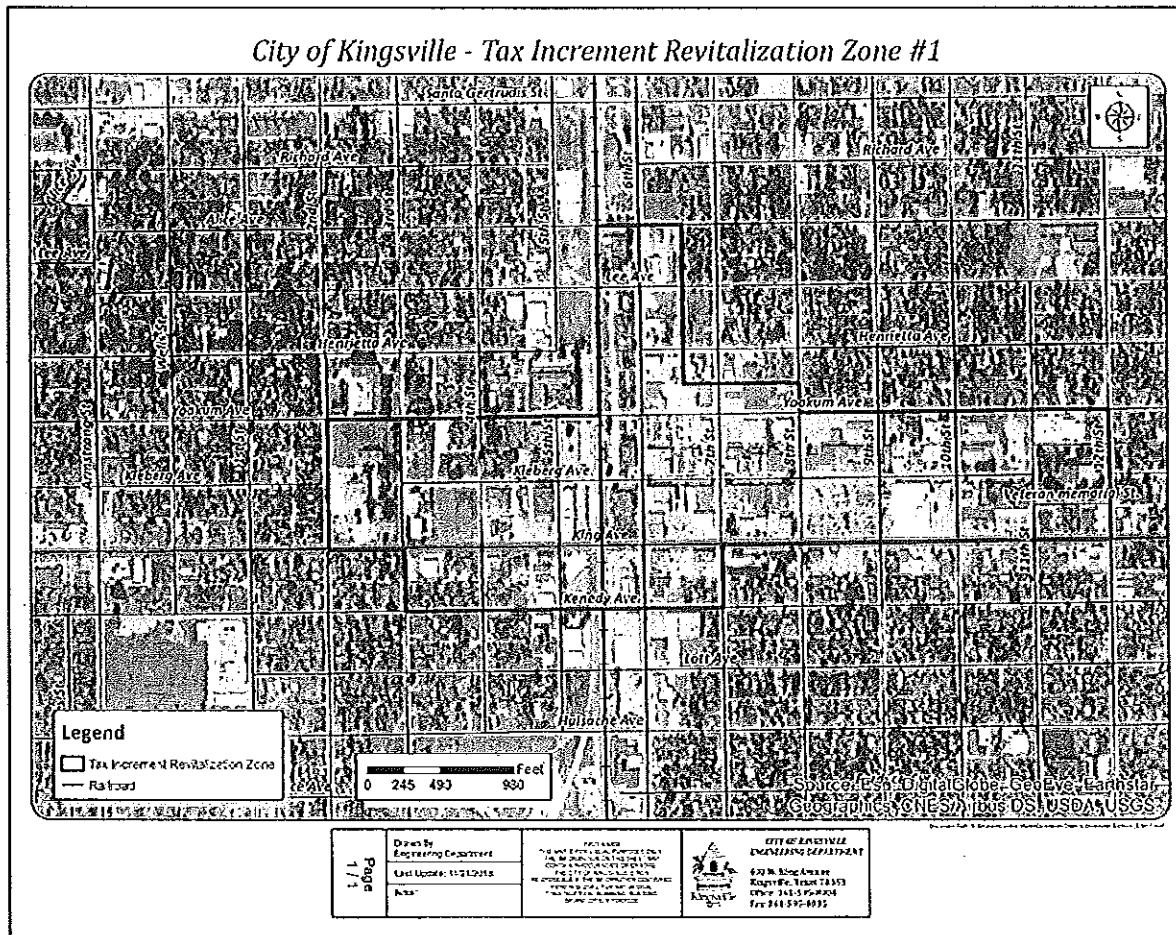
1.2(b) TIRZ Boundary

The City is requesting that a Tax Increment Reinvestment Zone ("TIRZ" or "Zone") to be created over certain commercial areas within Historic Downtown Kingsville. Tax Increment Financing is a development tool available to the City to catalyze economic development in the downtown area. Increases in property tax revenues over and above the value of taxes paid within the Zone since 2018 are to be re-invested back into the area in the form of infrastructure improvements, façade upgrades, environmental remediation etc. Taxing jurisdictions continue to collect taxes on the base amount of assessed property values at the creation of the TIRZ for the life of the TIRZ. For a detailed explanation, see *How Does a TIRZ/TIF work? below*



Map Figure 4, below, depicts the TIRZ boundary

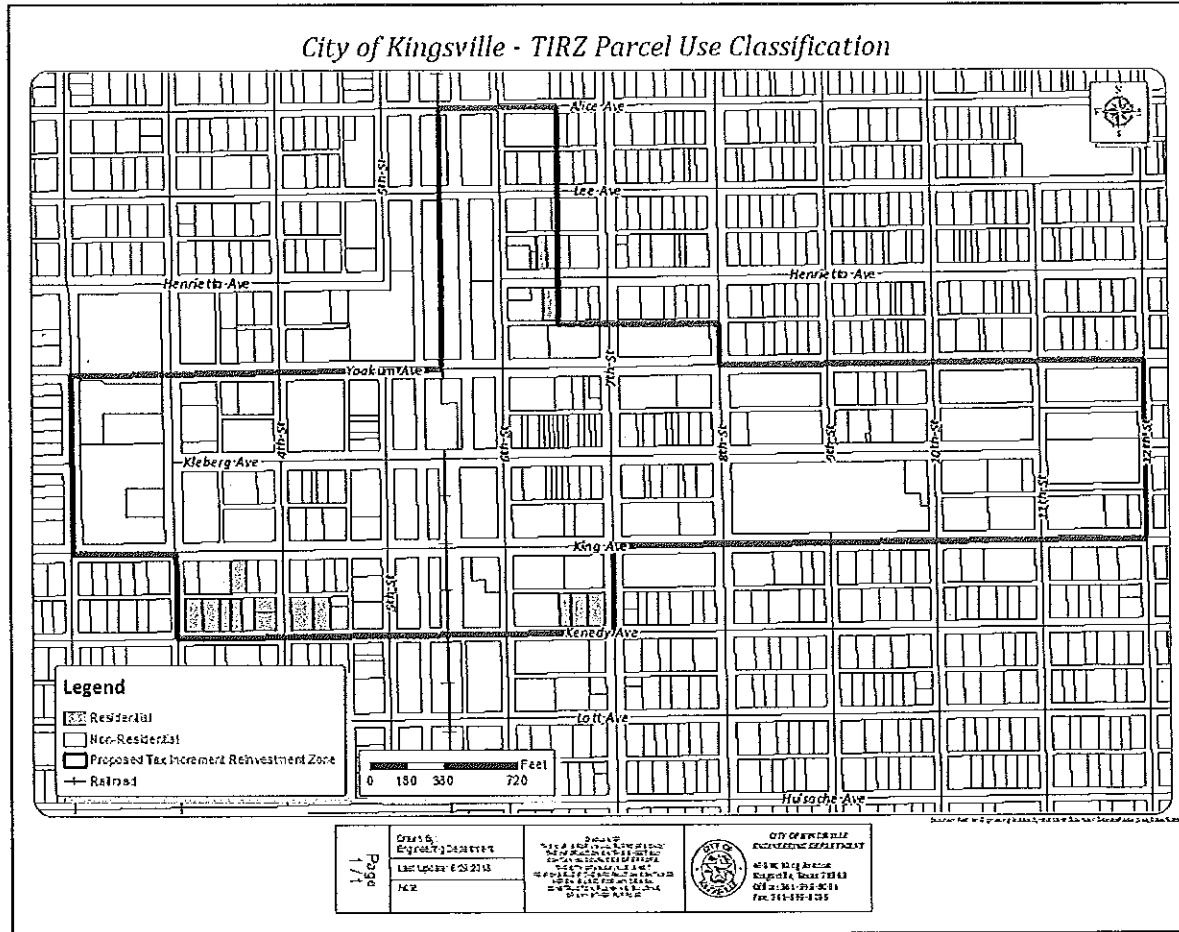
Map Figure 4, TIRZ Boundary



The creation of a TIRZ in Historic Downtown Kingsville is justifiable under Section 311.005 of the Texas Tax Increment Financing Act since the area's present condition substantially impairs the City's growth due to the presence of a significant number of substandard or deteriorating structures. Additionally, the Historic Downtown District possesses inadequate sidewalks and street layouts that impede pedestrian mobility and inhibit economic growth.

Given these existing conditions, the feasibility for many types of desired development in Kingsville's Historic Downtown District is limited. The conditions outlined above will not be overcome or corrected without intervention and assistance from the public sector, therefore satisfying the general criteria for creation of the zone. The necessity for the TIRZ partnership is compelling because neither the City nor County can address Downtown's redevelopment issues alone.

Map Figure 6, TIRZ Parcel Use Classification



Key to the revitalization of downtown Kingsville is increasing the number of residential units in the area. There are currently many sites in the area that would be suitable for the development of infill housing units as well as multi-family housing complexes. These sites include vacant lots and unused buildings. City staff recently added zoning code provisions to enable and encourage loft apartments, residential above commercial and live/work units. Another important step would be to increase the lodging options within the Historic Downtown District. The District is lacking in restaurant and entertainment venues as are enhanced parks/public use spaces.

2.2 Method of Relocation—TEX. TAX CODE ANN. § 311.011(b) (4)

It is not anticipated that any TIRZ construction or TIRZ redevelopment projects will require relocation of displaced persons. In the event that residential properties are purchased by developers in connection with Project Plan construction or redevelopment, the City will assist displaced tenants in locating alternate housing.

3. REINVESTMENT ZONE FINANCING PLAN

The TIRZ is intended to provide a funding and/or reimbursement mechanism for major public infrastructure improvements along with various landscape, beautification and urban design components for Historic Downtown Kingsville. The Plan is comprehensive and long-term in nature

which will promote stability and sustainable economic opportunities in an area that is currently underutilized and not reaching its full potential.

3.1 Estimated Project Cost Description— TEX. TAX CODE ANN. § 311.011(c) (1)

The project costs below comply with the categories established in Section 311.002 of the Texas Tax Code as Project Costs that are eligible for TIF increment fund reimbursement. The dollar amounts are approximate based on assumptions of how the TIRZ may develop over the duration of the zone and are expressed in year 2018 dollars. Project costs may be adjusted to actual development plans, bid costs and/or for inflation. Approved projects shall commence as funds are available in the “TIF Fund” or are available from other sources.

Project Description

Kleberg Avenue Sidewalk Replacement Project

Project Cost Estimate

\$2,250,000.00

ITEM	QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
KLEBERG AVENUE SIDEWALK IMPROVEMENTS					
1	8,500	SY	REMOVE & REPLACE CONCRETE SIDEWALK	\$80.00	\$680,000.00
2	158	EA	ADA CURB RAMPS	\$2,500.00	\$395,000.00
3	65	EA	CROSSWALK STRIPING	\$500.00	\$32,500.00
4	7,800	LF	REMOVE & CONCRETE CURB	\$30.00	\$234,000.00
5	4,000	SY	PAVERS	\$60.00	\$240,000.00
6	1	LS	WATER UTILITY ADJUSTMENTS	\$20,000.00	\$20,000.00
7	1	LS	SEWER UTILITY ADJUSTMENTS	\$20,000.00	\$20,000.00
8	56	EA	LIGHTING INCLUDING ELECTRICAL	\$5,000.00	\$280,000.00
9	1	LS	LANDSCAPING	\$86,000.00	\$86,000.00
10	1	LS	TRAFFIC CONTROL	\$15,000.00	\$15,000.00
SUBTOTAL CONSTRUCTION COST					\$2,002,500.00
ENGINEERING					\$202,500.00
SURVEYING					\$22,500.00
CONSTRUCTION INSPECTION					\$22,500.00
TOTAL KLEBERG SIDEWALK REPLACEMENT PROJECT					\$2,250,000.00

TIRZ project costs will be funded at the discretion and approval of the TIRZ Board of Directors (The “Board”) with the consent of the City Council. Costs that the Board finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone will be considered as eligible project costs.

In addition to the projects outlined above, the following categories established in Section 311.002(1) of the Texas Tax Code as eligible project costs will be considered as such when appropriate and practicable:

- (A) *Capital costs*, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the

demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

(B) *Financing costs*, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;

(C) *Real property assembly costs*;

(D) *Professional service costs*, including those incurred for architectural, planning, engineering, and legal advice and services;

(E) *Imputed administrative costs*, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;

(F) *Relocation costs*;

(G) *Organizational costs*, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) *Interest* before and during construction and for one year after completion of construction, whether or not capitalized;

(I) *Operating cost* of the reinvestment zone and project facilities; and

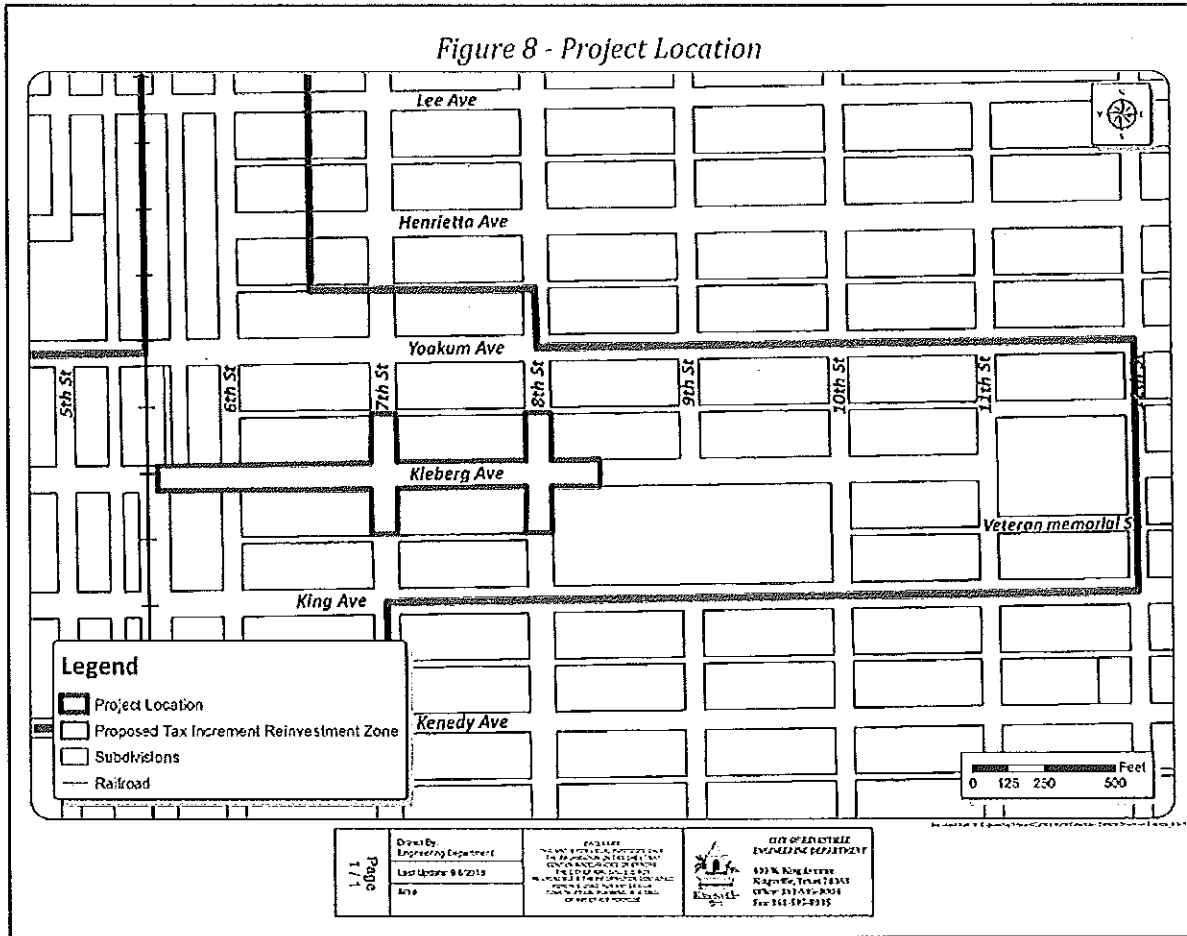
(J) *Contributions* made by the municipality or county from general revenue for the implementation of the project plan.

It is anticipated that economic development loans or grants might be made to assist implementation of the Project Plan. The Board, with City Council's approval, shall have the authority to establish and administer economic development programs, including but not limited to grants and loans, authorized under Chapter 380 of the Texas Local Government Code. Should such grants or loans occur, it will be done with the intent to fulfill the public purposes of developing and diversifying the economy, eliminating unemployment/underemployment, and developing or expanding transportation, business and commercial activity in the TIRZ.

3.2 Kind, Number, Location of Proposed Public Improvements— TEX. TAX CODE ANN. § 311.011(c) (2)

The proposed public improvements of TIRZ #1, Historic Downtown, are meant to address and remediate specific challenges faced by the area, which, if not remedied by TIF intervention, will continue to substantially impair the City's growth. Current public infrastructure is substandard for pedestrian mobility purposes and the overall area aesthetics are unfriendly and uninviting. Accordingly, new sidewalks and curb, extensions for traffic calming, pedestrian crosswalks and ADA compliant ramps are proposed to increase pedestrian mobility and access in the area. In an effort to improve area aesthetics, ornamental street lights are proposed to evoke a sense of arrival and increased character in Historic Downtown. Redevelopment of the area is contemplated to materialize over the 30 year life of the TIRZ. *See Map Figure 7 below "Project location."*

Map Figure 8, TIRZ Project Location



3.3 Economic Feasibility— TEX. TAX CODE ANN. § 311.011(c) (3)

The primary source of TIRZ revenue will be the ad valorem taxes generated on the annual incremental value above the base year value. Revenues will result from annual estimated inflationary growth on base property values and from new taxable values as construction and redevelopment occurs within the TIRZ. The table below potential TIF participation rates of the varying taxing entities.

Jurisdiction	Tax Rate	% Participation	Duration
City of Kingsville	0.842200	100%	30 years
Kleberg County	0.828800	100%	30 years
Kingsville ISD	1.518900	100%	30 years
So TX Water	0.08294	100%	30 years

Combined TIF Rate 3.272842

Assuming development occurs according to Exhibit C, "TIRZ #1, and Historic Downtown Revenue Model", the estimated cumulative combined City and County real property tax increments from

within the TIRZ would total \$401,554.23 over the 30 year life of the zone. Expected tax increments are a result of the removal of the economic depreciation factor depressing the majority of downtown commercial property values.

With anticipated cumulative TIF fund receipts and the proposed TIF project costs expressed in terms of 2018 present value, the difference between anticipated receipts of \$401,554.23 and the TIRZ project cost list of \$2,225,000, creates a shortfall of \$1,823,445.77. In other words, some but not all of the total eligible project costs identified in Section 3.1 of this Plan can be paid from the TIF fund. To fund the balance of the outlined projects, supplemental funding must come from some combination of municipal bonds for capital improvements, City/County operating budgets or grants. Alternatively, some of the project cost items might not be constructed.

3.4 Estimate of Bonded Indebtedness to be Incurred— TEX. TAX CODE ANN. § 311.011(c) (4)

The City, in its sole discretion, may issue or cause to be issued bonds, notes or other obligations secured by tax increment revenues, the proceeds of which are used to pay for or reimburse Project Costs, capitalized interest, developer interest and costs of issuance of the bonds. The amount of bonds and bonded indebtedness will be a function of the availability of TIRZ revenues.

3.5 Estimated Time When Monetary Obligations are to be Incurred— TEX. TAX CODE ANN. § 311.011(c) (5)

The TIRZ may incur monetary obligations after contracts between the TIRZ and property developers are inspected, completed and accepted by the City. The build-out horizon for TIRZ improvements will largely be market-driven. As such, bond issuance may occur at appropriate times as determined by the City and will largely be dependent upon tax revenue amounts available in the TIF fund to reimburse developers according to executed construction agreements or for debt service. Project costs, administrative costs and costs related to the creation and organization of the TIRZ may be paid from the issuance of bonds, directly from tax increment revenue, or a combination thereof.

3.6 Methods and Sources of Financing— TEX. TAX CODE ANN. § 311.011(c) (6)

To ensure timely construction and redevelopment, the City may utilize both “pay-as-you-go” and other various methods of financing allowable under the Tax Increment Financing Act including the issuance of tax increment bonds. Any such bonds or notes are payable solely from the tax increment fund and must mature on or before the date by which the final payments of the tax increment into the tax increment fund are due. To the extent permitted by law, efforts will be made to leverage TIRZ funds with grants/public funds and other economic development tools.

The City may issue tax increment bonds by ordinance. Alternatively, the City may execute a service contract with a created Local Government Corporation (“LGC”) under Chapter 431 of the Texas Transportation Code to issue bonds on behalf of the City and manage the affairs of the TIRZ. The increment amount of sales tax attributable to the TIRZ will not be deposited into the tax increment fund.

3.7 Current Appraised Value of Taxable Real Property— TEX. TAX CODE ANN. § 311.011(c) (7)

The base year value of all taxable real property within the designated TIRZ is \$14,126,174 as indicated by the 2017 Kleberg County Appraisal District tax roll. The base year value is approximately 18% of the total appraised value of all taxable real property in the City of Kingsville, or well within the 50% limit required by section 311.006(a)(2)(B) (Based on the 2017 total appraised value of all taxable real property in the municipality of \$ 789,457,160.

Total value of privately owned property used for residential purposes within TIRZ #1, Historic Downtown is \$ 580,830 and privately owned property used for residential purposes accounts for approximately 4% of the total property (calculated in terms of acreage per parcel) in the TIRZ, which is within the 30% maximum allowed by section 311.006(a) (1)

3.8 Estimated Captured Appraised Value by Year— TEX. TAX CODE ANN. § 311.011 (c) (8)

Exhibit B, "Estimated Captured Appraised Value by Year" demonstrates the projected incremental tax value subject to capture throughout the life of the TIRZ.

3.9 Duration of Zone— TEX. TAX CODE ANN. § 311.011 (c) (9)

TIRZ #1, Historic Downtown Kingsville, Texas shall exist for a term of 30 years. The TIRZ shall take effect immediately upon the passage of the ordinance creating it, lasting through December 31, 2046 (with final year's tax to be collected by September 30, 2017) or at an earlier time designated by the City Council by ordinance. The City Council may determine, in its sole discretion that the TIRZ should be terminated prior to the designated termination date if there is insufficient private investment in the TIRZ, accelerated private investment in the TIRZ, or other good cause. City Council, by ordinance, may also terminate the TIRZ when all project costs and tax increment bonds, if any, including interest, have been paid in full.

NOTE: Per TEX. TAX CODE ANN. § 311.011(h), all amounts contained in this Preliminary Project Plan or Reinvestment Zone Financing Plan, including expenditures relating to project costs are considered estimates and do not act as a limitation on the items described herein.

Exhibit A – "TIRZ #1, Historic Downtown, Legal Description"

Beginning at a point that lies in the center of the intersection of 6th Street and Alice Avenue, said point also being described as the "Point of Beginning";

Thence due east along the centerline of the aforementioned Alice Avenue approximately two hundred ninety-one feet to a point that lies on the centerline of Alice Avenue north of Lots 10 and 11, Block 21 of the Original Town, said point also being the north-easternmost corner of the zone herein described;

Thence due south approximately one thousand forty-eight feet crossing Blocks 21, 28, and the northern half of Block 36 of the Original Town to a point that lies in the alley in Block 36 north of Yoakum Avenue;

Thence due east approximately seven hundred eighty-five feet to a point that lies on the centerline of 8th Street parallel with the alley in Blocks 37 and 38 of the Original Town;

Thence due south along the centerline of the aforementioned 8th Street approximately two hundred sixteen feet to a point that lies in the center of the intersection of 8th Street and Yoakum Avenue;

Thence due east along the centerline of the aforementioned Yoakum Avenue approximately two thousand eighty-five feet to a point that lies in the center of the intersection of 12th Street and Yoakum Avenue, said point also being the easternmost corner of the zone herein described;

Thence due south along the centerline of the aforementioned 12th Street approximately eight hundred sixty-one feet to a point that lies in the center of the intersection of 12th Street and King Avenue, said point also being parallel to the easternmost corner of the zone herein described;

Thence due west along the centerline of the aforementioned King Avenue approximately two thousand six hundred twenty-five feet to a point that lies in the center of the intersection of 7th Street and King Avenue;

Thence due south along the centerline of the aforementioned 7th Street approximately four hundred nineteen feet to a point that lies in the center of the intersection of 7th Street and Kenedy Avenue, said point also being the south-easternmost corner of the zone herein described;

Thence due west along the centerline of the aforementioned Kenedy Avenue approximately two thousand one hundred forty-one feet to a point that lies in the center of the intersection of 3rd Street and Kenedy Avenue, said point also being the south-westernmost corner of the zone herein described;

Thence due north along the centerline of the aforementioned 3rd Street approximately four hundred nineteen feet to a point that lies in the center of the intersection of 3rd Street and King Avenue;

Thence due west along the centerline of the aforementioned King Avenue approximately five hundred seven feet to a point that lies in the center of the intersection of 2nd Street and King Avenue, said point also being the westernmost corner of the zone herein described;

Thence due north along the centerline of the aforementioned 2nd Street approximately eight hundred sixty-one feet to a point that lies in the center of the intersection of 2nd Street and Yoakum Avenue, said point also being parallel to the westernmost corner of the zone herein described;

Thence due east along the centerline of the aforementioned Yoakum Avenue approximately one thousand two hundred thirty feet crossing the tract Park, Block Chamberlain Park, Lot N 382.06', (KISD Administrative Office & TEC) to a point that lies in the center of Yoakum Avenue parallel to the center of the Union Pacific Railroad Company railroad track south of tract Juan Mendiola, Lot 192, (Rincon de Santa Gertrudis), Acres 0.94;

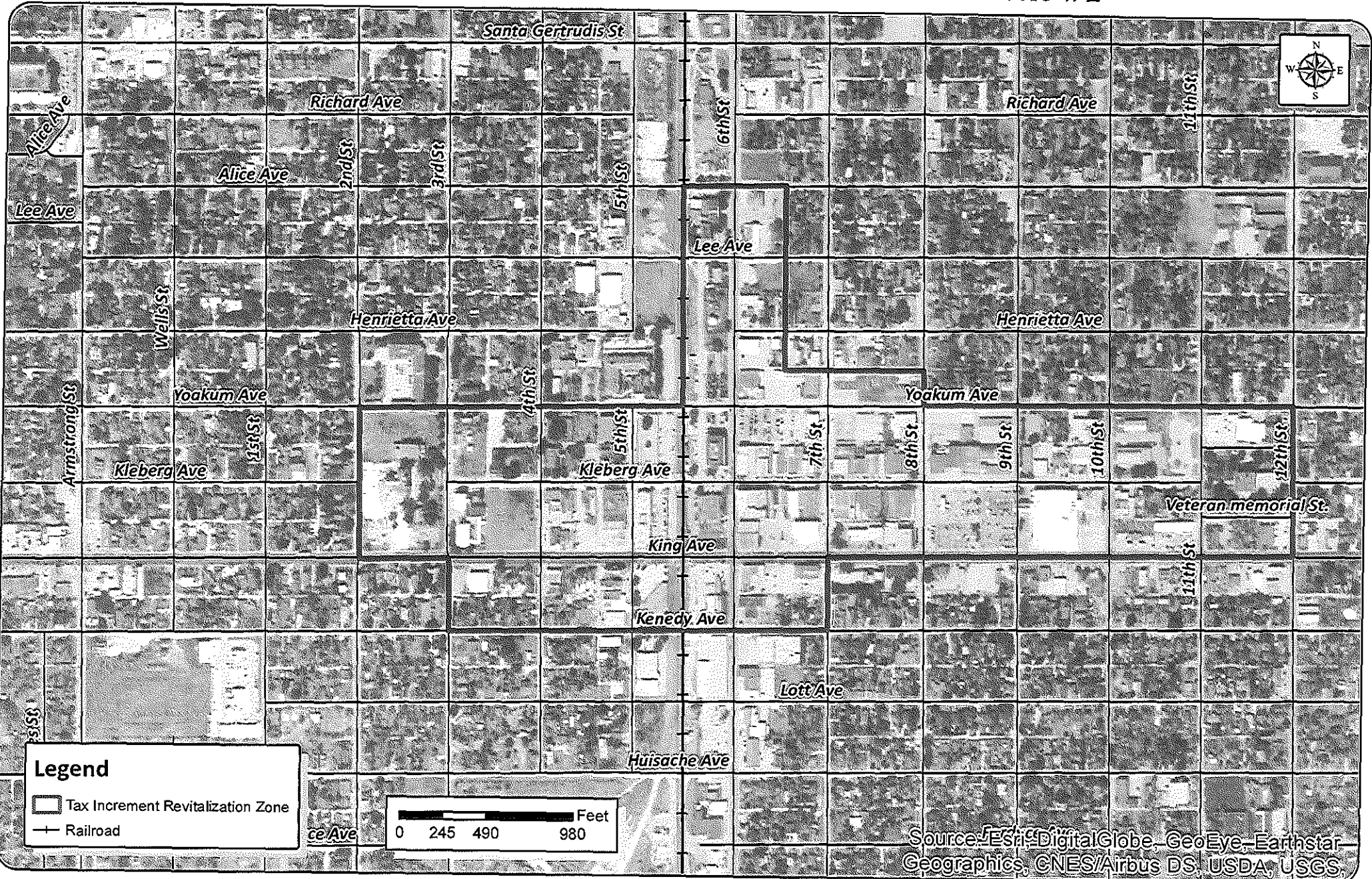
Thence due north along the centerline of the aforementioned Union Pacific Railroad Company railroad track approximately one thousand two hundred fifty-eight feet crossing tracts Juan Mendiola, Lot 192, (Rincon de Santa Gertrudis), Acres 0.94 and Acres 0.87 to a point that lies on the centerline of the intersection of the railroad track and Alice Avenue, said point also being the north-westernmost corner of the zone herein described;

Thence due east along the centerline of the aforementioned Alice Avenue approximately two hundred ninety feet to the "Point of Beginning".

Exhibit B – “Estimated Captured Appraised Value by Year”

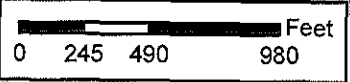
Base Year	Base Year	Taxable Value	Incremental Increase	COK -\$.69055 Taxes Based on PY M&O Tax Rate	KC-\$.761970 Taxes Based on PY M&O Tax Rate	KISD-\$.170000 Taxes Based on PY M&O Tax Rate	STWA-\$.064224 Taxes Base on PY M&O Tax Rate	Total
1	2017	14,126,174						
2	2018	14,482,154	355,980	2,458.22	2,712.46	4,164.96	228.62	9,564.26
3	2019	14,847,104	364,950	2,520.16	2,780.81	4,269.92	234.39	9,805.28
4	2020	15,221,251	374,147	2,583.67	2,850.89	4,377.52	240.29	10,052.37
5	2021	15,604,826	383,576	2,648.78	2,922.73	4,487.83	246.35	10,305.69
6	2022	15,998,068	393,242	2,715.53	2,996.38	4,600.93	252.56	10,565.40
7	2023	16,401,219	403,151	2,783.96	3,071.89	4,716.87	258.92	10,831.64
8	2024	16,814,530	413,311	2,854.12	3,149.30	4,835.74	265.44	11,104.60
9	2025	17,238,256	423,726	2,926.04	3,228.67	4,957.60	272.13	11,384.44
10	2026	17,672,660	434,404	2,999.78	3,310.03	5,082.53	278.99	11,671.32
11	2027	18,118,011	445,351	3,075.37	3,393.44	5,210.61	286.02	11,965.44
12	2028	18,574,585	456,574	3,152.87	3,478.96	5,341.91	293.23	12,266.97
13	2029	19,042,665	468,080	3,232.32	3,566.63	5,476.53	300.62	12,576.10
14	2030	19,522,540	479,875	3,313.78	3,656.50	5,614.54	308.20	12,893.02
15	2031	20,014,508	491,968	3,397.29	3,748.65	5,756.03	315.96	13,217.92
16	2032	20,518,874	504,366	3,482.90	3,843.11	5,901.08	323.92	13,551.01
17	2033	21,035,949	517,076	3,570.67	3,939.96	6,049.78	332.09	13,892.50
18	2034	21,566,055	530,106	3,660.65	4,039.25	6,202.24	340.46	14,242.59
19	2035	22,109,520	543,465	3,752.89	4,141.04	6,358.54	349.03	14,601.50
20	2036	22,666,680	557,160	3,847.47	4,245.39	6,518.77	357.83	14,969.46
21	2037	23,237,880	571,200	3,944.42	4,352.38	6,683.04	366.85	15,346.69
22	2038	23,823,474	585,595	4,043.82	4,462.05	6,851.46	376.09	15,733.43
23	2039	24,423,826	600,352	4,145.73	4,574.50	7,024.11	385.57	16,129.91
24	2040	25,039,306	615,480	4,250.20	4,689.78	7,201.12	395.29	16,536.38
25	2041	25,670,297	630,991	4,357.31	4,807.96	7,382.59	405.25	16,953.10
26	2042	26,317,188	646,891	4,467.11	4,929.12	7,568.63	415.46	17,380.32
27	2043	26,980,382	663,193	4,579.68	5,053.33	7,759.36	425.93	17,818.30
28	2044	27,660,287	679,906	4,695.09	5,180.68	7,954.90	436.66	18,267.32
29	2045	28,357,326	697,039	4,813.40	5,311.23	8,155.36	447.67	18,727.66
30	2046	29,071,931	714,605	4,934.70	5,445.07	8,360.87	458.95	19,199.60
			<u>14,945,757</u>	<u>103,207.92</u>	<u>113,882.18</u>	<u>174,865.36</u>	<u>9,598.76</u>	<u>401,554.23</u>

City of Kingsville - Tax Increment Revitalization Zone #1



Legend

- Tax Increment Revitalization Zone
- Railroad



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS

Page 1 / 1	Drawn By: Engineering Department	DISCLAIMER THIS MAP IS FOR VISUAL PURPOSES ONLY. THE INFORMATION ON THIS SHEET MAY CONTAIN INACCURACIES OR ERRORS. THE CITY OF KINGSVILLE IS NOT RESPONSIBLE IF THE INFORMATION CONTAINED HEREIN IS USED FOR ANY DESIGN, CONSTRUCTION, PLANNING, BUILDING, OR ANY OTHER PURPOSE.	 CITY OF KINGSVILLE ENGINEERING DEPARTMENT 400 W. King Avenue Kingsville, Texas 78363 Office: 361-595-8004 Fax: 361-595-8035
	Last Update: 11/21/2018		
	Note:		

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TAX INCREMENT FINANCING

TAX INCREMENT REINVESTMENT ZONES – CHAPTER 311

ABOUT TIFS/TIRZS

Tax increment financing (TIF) is a financing method local governments can use to pay for improvements that will draw private investment to an area. Tax increment financing isn't a new tax; instead, it redirects some of the ad valorem tax from property in a geographic area designated as a Tax Increment Reinvestment Zone (TIRZ) to pay for improvements in the zone.

When a municipality or county creates a TIRZ, it records the total taxable value of all real property within the zone. It's like a snapshot in time of what the property values are at that specific moment. That snapshot is the zone's base value.

Each year, property taxes collected in the zone on base value continue to go into the municipality's or county's general fund, as most property taxes do.

But as property in the TIRZ develops and becomes more valuable, a portion of the taxes collected on property above the base value is deposited into a tax increment fund. Revenue deposited in the tax increment fund can be only used to financing projects within the zone, including infrastructure, facade programs, landscaping, streetscaping or practically any type of public enhancement.

Tax Increment Reinvestment Zones generally last 20 to 25 years, but some last longer. The return on the investment in infrastructure isn't going to come overnight or even in one or two years. When a local government makes the commitment to create a TIRZ, it's a long one.

A TIF project jumpstarts development to get things moving a bit faster and, ultimately, to generate new tax revenue.

BENEFITS OF A TIRZ

The benefits of a TIRZ include:

- builds needed public infrastructure in areas lacking adequate development to attract businesses.
- encourages development, thereby increasing property values and long-term property tax collections.
- reduces the cost of private development by providing reimbursement for eligible public improvements.

CREATING A REINVESTMENT ZONE

A reinvestment zone can be created to promote an area's development or redevelopment if its governing body determines that such development wouldn't occur through private investment in the foreseeable future (**Tax Code, 311.003(b)**).

A county can designate by order a contiguous geographic area within its borders as a reinvestment zone. A municipality can designate by ordinance a contiguous or noncontiguous geographic area in its corporate limits as a reinvestment zone (**Tax Code, 311.003(a)**). A municipality also can designate a reinvestment zone in the city's extraterritorial jurisdiction (**Tax Code, 311.003(a)**).

To create a reinvestment zone prior to the adoption of an ordinance or order, a city or county must: (a) prepare a preliminary reinvestment zone financing plan; and (b) hold a public hearing on the creation of the zone and its suggested benefits (**Tax Code, 311.003(b)**).

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PUBLIC HEARINGS

A public hearing is required before designating a TIRZ. All interested persons are entitled to speak for or against the designation of a reinvestment zone (Tax Code, 311.003(c)). A call for a public hearing shall be made no later than the seventh day before the date of the hearing. A notice must be published in a newspaper with a general circulation in the municipality or the county (Tax Code, 311.003(c)).

A public hearing also is required to amend a project plan. The TIF may amend its project to:

- change the boundaries of the zone;
- increase the amount of bond indebtedness the project will incur;
- increase or decrease the percentage of a tax increment to be contributed;
- increase the total estimated project costs; or
- designate additional property within the zone to be acquired (Tax Code, 311.011(e)).

A written public notice shall be delivered to the presiding officer of each taxing unit that includes in its boundaries the real property to be included in the proposed reinvestment zone (Tax Code, 312.201(d-e)).

CHANGING/MODIFYING BOUNDARIES

Subject to the limitations of Section 311.006, if applicable, a reinvestment zone's boundaries may be enlarged or reduced as approved through a county or municipality order or ordinance (Tax Code, 311.007).

HOW TO PROPERLY PRODUCE AN ORDINANCE/ ORDER FOR A REINVESTMENT ZONE

The order or ordinance must:

- describe the boundaries of the zone (Tax Code, 311.004(a-1)).
- create a board of directors for the reinvestment zone and specify the number of directors on the board (Tax Code, 311.004(a-2)).

- provide that the zone takes immediate effect upon passage of the order or ordinance (Tax Code, 311.003(a-3)).
- provide a date upon which the zone is to be terminated (Tax Code, 311.003(a-4)).
- designate the name of the zone as "Reinvestment Zone Number One, City of..." or "Reinvestment Zone Number One, County of..." (Tax Code, 311.003(a-5)). Successively created zones are to be numbered consecutively in the order of their creation (Tax Code, 311.003(a-5)).
- establish a tax increment fund for the zone.
- state that improvements in the zone will significantly enhance the value of all taxable real property in the zone and generally benefit the city or county, and that the area meets the criteria for a reinvestment zone (Tax Code, 311.003(a-7)).

ZONE CRITERIA

To be designated as a TIRZ, an area must: (Tax Code, 311.005):

- 1) substantially impair sound growth, impede the establishment of housing or constitute an economic or social liability and a menace to the public health, safety, morals or welfare in its present condition and use because of (Tax Code, 311.005):
 - a) a substantial number of substandard, slum, deteriorated or deteriorating structures;
 - b) the predominance of defective or inadequate sidewalks or street layout;
 - c) faulty lot layout in relation to size, adequacy, accessibility or usefulness;
 - d) unsanitary or unsafe conditions;
 - e) the deterioration of site or other improvements;
 - f) a tax or special assessment delinquency exceeding the fair value of the land;
 - g) defective or unusual conditions of title;
 - h) conditions that endanger life or property by fire or other cause; or

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- 1) structures, other than single family residential structures, of which less than 10 percent of the square footage has been used for commercial, industrial or residential purposes during the last 12 years, if a municipality has a population 100,000 or more;
- 2) be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements or other factors, substantially impair or arrest the sound growth of the municipality or county;
- 3) be in a federally assisted new community located in the municipality or county or an area immediately adjacent to a federally assisted new community; or
- 4) be an area in which at least 50 percent of the appraised property owners have petitioned for designation as a reinvestment zone.

BOARD DIRECTORS

A TIRZ must have a board of directors (Tax Code, 311.009). The board must comprise no more than 15 members who are appointed by all the taxing units participating in the TIF project (Tax Code, 311.009(a)). A taxing unit may waive its right to appoint a director (Tax Code, 311.009(a)).

- Each taxing unit other than the city or county that designated the zone may appoint one member to the board, if they have agreed to pay all or a portion of the tax increment produced by the unit into the tax increment fund for the zone (Tax Code, 311.009(a)).
- The municipality or county creating the reinvestment zone may appoint no more than 10 directors to the board. If other participating taxing units appoint a combined total of fewer than five directors to the board, however, the designating municipality or county may appoint more than 10 directors (Tax Code, 311.009(a)).
- Board members serve for terms of two years unless longer terms are provided under Article XI, Section 11 of the Texas Constitution (Tax Code, 311.0091(d)). The governing body of a city or county may determine whether to stagger the terms of the board members (Tax Code, 311.009(c)).

A vacant board position is filled for the unexpired term by appointment by the governing body of the taxing unit that made the original appointment. The position is filled for the unexpired term by the appointing governing body (Tax Code, 311.009(d)).

A person appointed to serve on the board of directors must:

- be at least 18 years of age;
- be a resident of the county in which the zone is located or a county adjacent to that county;
- own real property in the zone, whether or not the individual resides in the county in which the zone is located or a county adjacent to that county; or
- own real property in the zone or be an employee or agent of a person that owns real property (Tax Code, 311.009(e)).

The governing body that created the zone shall appoint one member of the board to serve as chairman of the zone for a term of one year, beginning on January 1 of the following year. The board may elect one of its members to serve as vice-chairman, to preside in the absence of the chairman or if the office of chairman is vacant. The board may elect other officers as it considers appropriate (Tax Code, 311.009(f)).

POWERS OF THE BOARD

State law grants the board authority to:

- make recommendations to the governing body of the municipality that created the zone concerning its administration of Chapter 311 in the zone;
- exercise the powers of management and operation of the zone or implementation of the project plan for the zone (Tax Code, 311.010);
- restrict the use or uses of property in the zone as per Local Government, Chapter 211; and
- enter into a contract with a local government entity or political subdivision to manage the reinvestment zone or implement the project plan and financing plan in coordination with the local government governing body (Tax Code, 311.010).

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The governing body does *not* have the authority to direct the board of directors to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the project plan (Tax Code, 311.010).

PROJECT & FINANCING PLANS

The board of directors shall prepare and adopt a project plan and submit it to the governing body for approval. The governing body of the city or county must approve the plan by ordinance or order. The plan must include:

- a description and map showing existing uses and conditions of real property in the zone and proposed uses of that property;
- proposed changes of zoning ordinances, the master plan of the municipality, other municipal ordinances and subdivision rules and regulations, if any, of the county, if applicable;
- a list of estimated non-project costs; and
- a method of relocating persons to be displaced, if any, as a result of implementing the plan.

The board of directors shall prepare and adopt a financing plan and submit it to the governing body. The governing body of the city or county must approve the plan by ordinance or order. The plan must include (Tax Code, 311.011):

- a detailed list describing the estimated project costs of the zone, including administrative expenses;
- a statement listing the proposed kind, number and location of all public works or public improvements to be financed by the zone;
- an economic feasibility study and a finding that the plan is economically feasible;
- the estimated amount of bonded indebtedness to be incurred;
- the estimated time for related costs or monetary obligations to be incurred;

- a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay the project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone;
- a current total appraised value of taxable real property in the zone;
- estimated captured appraised value of the zone during each year of its existence; and
- the duration of the zone.

The list below provides some examples of what projects can be done in a TIRZ using tax increment funds and is not meant to be all-inclusive (Tax Code, 311.008(4B)):

- erect new street signs;
- make landscaping improvements along public areas;
- acquire land;
- construct a park;
- create a livable and/or walkable community that can include new benches, new trash receptacles and enhanced sidewalks;
- develop rail and transportation projects;
- ameliorate buildings other than single-family residences that have been abandoned or vacant for at least 12 years, most likely in a downtown area;
- catalyze mixed-use development;
- enhance downtown as a retail and entertainment destination; and
- encourage future residential development.

A local government governing body may amend the project plan but the plan must be consistent with Chapter 311. The amendment takes effect on approval of the governing body and the approval must be by ordinance or by order. The plan amendment may: (a) change the boundaries of the zone by increasing or reducing its size; (b) increase the amount of bond indebtedness to be incurred; (c) increase or decrease the percentage of a tax increment to be contributed; (d) increase the total estimated project costs; or (e) designate additional property within the zone to be acquired.

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Amendments to the project plan may be adopted only after a public hearing (Tax Code, 311.011(e)).

ABATEMENT AGREEMENTS

Any taxing unit except a school district may enter into an agreement with the owner of real property in a reinvestment zone (Tax Code, 311.0125). A tax abatement agreement can become effective only with the approval of the reinvestment zone board of directors and the governing body of each taxing unit that participates in the TIF project (Tax Code, 311.0125(a)).

COLLECTION & DEPOSIT OF TAX INCREMENT

The tax increment fund is an account created by the TIRZ board of directors for the deposit of all tax increment revenue. Sales tax revenue earmarked by the city for the TIF fund will be deposited directly into the fund by the Comptroller (Tax Code, 311.0123(c)).

Each participating taxing unit shall pay into the TIF fund for the zone. They must pay a portion of the property tax collected on the value of the property in the zone minus the value of the property in the zone the year it was designated (Tax Code, 311.013).

A taxing unit shall make a payment not later than the 90th day after the later of: (a) the delinquency date for the unit's property taxes; or (b) the date upon which the municipality or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone. A delinquent payment incurs a penalty of 5 percent of the amount delinquent and accrues interest at an annual rate of 10 percent (Tax Code, 311.013(b) and (c)).

TAX INCREMENT FUND

A tax increment fund is established by the zone's board of directors to receive all revenue contributed to it by the

participating taxing units. The revenues in the fund are used to pay for improvement projects in the community.

Money from the fund may be used only to satisfy the claims of tax increment bondholders or notes issued for the zone, to pay project costs, to make payments pursuant to an agreement or to repay other obligations incurred in the zone (Tax Code, 311.014(b)).

With the approval of any bondholders, money in the TIF fund may be temporarily invested as other funds a municipality or county invests (Tax Code, (311.014(c)). All revenues from the sale of tax increment bonds or notes, the sale of any property acquired as a part of the financing plan and any other revenues generated by the tax increment zone shall be deposited in the zone's tax increment fund (Tax Code, 311.014(a)).

Money in a TIF fund may be transferred to an adjacent zone's TIF fund if:

- the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa;
- each participating taxing unit has agreed to deposit the same portion of its tax increment in the TIF fund for each zone;
- each participating taxing unit has agreed to the transfer; and
- the holders of any TIF bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer (Tax Code, 311.014).

TERMINATION OF THE ZONE

A TIRZ is terminated:

- on the date the local government that created the zone sets as termination date by order or ordinance; or
- when all project costs, tax increment bonds and interest on those bonds and obligations have been paid in full (Tax Code, 311.017).

After all project costs, bonds, notes and obligations have been paid, any money remaining in the TIF fund shall be

TAX INCREMENT FINANCING

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returned to the participating taxing units in proportion to each unit's respective share of the total amount of tax increments derived from real property in the zone that was deposited in the fund during its existence (Tax Code, 311.014(d)).

ANNUAL REPORT

A local government that creates a TIF zone must send an annual report about the zone to each participating taxing unit and to the Comptroller. The report must include:

- the amount and source of revenue in the tax increment fund established for the zone;
- the amount and purpose of expenditures from the fund;
- the amount of principal and interest due on outstanding bonded indebtedness;
- the tax increment base and current captured appraised value retained by the zone; and
- the captured appraised value shared by the municipality or county and other taxing units;
- the total amount of tax increments received; and

- any additional information necessary to demonstrate compliance with the tax increment financing plan (Tax Code, 311.016(b)).

The local government also must submit to the Comptroller information about each tax increment reinvestment zone it creates. The information must include:

- a general description of the zone;
- the size of the zone;
- the types of property located in the zone;
- the duration of the zone; and
- a copy of each project plan or financing plan that is adopted or amended.

Local governments submitting an annual report to the Comptroller must include Form 50-806. Local governments submitting information about a newly created zone must include Form 50-807. Both of these forms can be found at <https://comptroller.texas.gov/economy/local/ch311/reporting.php>.

NEED HELP?

For additional information, contact the Data Analysis and Transparency Division at econ.dev@cpa.texas.gov or call 800-531-5441, ext. 3-4679 or 512-463-4679.

11-25-18 KRBN
New zoning could

bring improvements to

Downtown Kingsville

By Frank Cardenas
Reporter

The Kingsville City Commission voted recently to designate the boundaries of Downtown Kingsville as the city's first Tax Increment Reinvestment Zone.

"The TIRZ, or sometimes called a TIF [Tax Increment Funding], is a tool that cities use (for) economic development," Kingsville's Downtown Manager Cynthia Martin said. "It's something that state tax code allows for many communities. It's a way to put money into an area of higher potential, generally commercial areas. One of the requirements that the Texas state tax code requires to get the funding is finding an area that is economically depressed, which is our downtown."

"In the country, [TIRZ] uses older downtowns that need a revenue stream to put back into it," Tom Ginter, Director of Planning and Development Services for the City of Kingsville, said. "You have to have a really good feel that this project and new ones will take off."

"And we see potential in downtown," Martin added. Martin said building owners should not be worried, as the TIF is not a tax increase. Essentially, the zone requires any increase

See TIRZ, Page 3A

TIRZ

in tax revenue that comes from increased property values to be designated for improvements to downtown.

"Rather than [the money] going into the Kingsville General Fund, that money goes into a special TIF fund, and that money is re-invested into the same area, with the idea that this is an area that is going to take off and grow. The extra money will help with infrastructure to make downtown more attractive and easier for investment."

Ginter gave an example of how the money is dispersed.

"Say a building owner paid \$500 worth of taxes last year, and the appraisal [the next year] goes up \$100, so you have to pay \$600, he said. Business owners will still pay the \$600; the \$500 going to the city and where it needs to go and gets dispersed and the other \$100 goes into the TIF fund."

Martin said the TIF fund will go to projects that will benefit all building owners

within the zone, including sidewalks, streets and security lighting.

"It's a long term process," Martin said. "The TIF will be set up for 30 years."

After the approval of the zoning map, Martin said the next step for the TIRZ is to present the plan to Kleberg County Commissioners Court and the Kingsville ISD School Board to see if they will opt-in or decline participation.

In the State of Texas,

separate entities have the option to choose to participate.

The zone boundary lies east to west between Second Street and 12th Street.

"I think it's a very important plan," Martin said. "This benefits the residents of Kingsville. It's not money that is going to be wasted. You're looking at a great return on investment."

Frank Cardenas can be contacted at fcardenas@king-ranch.com or (361)

221-0243.



Economic Development

8-Step TIRZ Process

Step 1: Prepare a preliminary financing plan

The governing body must prepare a reinvestment zone financing plan Tax Code, Section 311.003(b)).

Step 2: Publish the hearing notice

After preparing the preliminary reinvestment zone financing plan and before the required public hearing, the governing body must publish the hearing notice in a newspaper with general circulation within the municipality or county. This must be done no later than the seventh day before the hearing date as per Tax Code 311.003, Sections (c), (d) and (e).

Step 3: Hold a public hearing

A public hearing is required before designating a TIRZ. A municipality or county proposing to designate a reinvestment zone must provide a reasonable opportunity for the property owner to protest the inclusion of the property in a proposed reinvestment zone.

All interested persons are entitled to speak for or against the designation of a reinvestment zone. The following items are to be presented at a public hearing according to Tax Code, Section 311.011(e):

- if an amendment reduces or increases the boundaries of the zone;
- increase the amount of bond indebtedness the project will incur;
- increase or decrease the percentage of a tax increment to be contributed;
- increase the total estimated project costs; or
- designate additional property within the zone to be acquired.

Step 4: Designate a reinvestment zone

As per Tax Code 311.011(e), after the public hearing, the governing body of the city or county may, by ordinance or order, designate a contiguous area as a reinvestment zone for tax increment financing purposes and create the board of directors for the reinvestment zone. Cities can also designate a noncontiguous geographic area – within the city limits, in the extraterritorial jurisdiction of the city or in both – as a reinvestment zone.

A simple majority vote of the governing body is needed to adopt the ordinance or order at an open meeting. Home rule cities may have a higher voting contingent based on their charter. The adopted ordinance or order should include a finding that development of the area would not occur in the foreseeable future solely through private investment. In Chapter 311.004 the ordinance or order must contain other provisions, including:

- a description of the zone boundaries with sufficient detail to identify the territory within the zone;
- a designation of the board of directors for the zone and an indication of the number on directors of the board;
- a provision that the zone will take effect immediately on passage of the ordinance;
- an indication of the zone termination date;
- a name for the zone as provided under Tax Code Section 311.004(a)(5);
- a provision establishing a tax increment fund for the zone;
- findings that the improvements within the zone will significantly enhance the value of the taxable property within the zone and will be of general benefit to the city or county; and
- a finding that the area meets the criteria for designation of a reinvestment zone under Tax Code Section 311.005.

Step 5: Prepare a project plan and a financing plan

After the city or county has adopted the ordinance or order creating the zone, the zone's board of directors must prepare both a project plan and a reinvestment zone financing plan. The plans must be as consistent as possible with the preliminary plans the city developed for the zone before the board was created. The board of directors must get the approval of the governing body for the project and financing plans as well any plan amendments as per Tax Code 311.011, Sections (a) and (d).

Step 6: Contribution to the tax increment fund by other taxing units

In Tax Code, Section 311.013, after the board of directors and the city's governing body has approved the project plan and the reinvestment zone, the other taxing units with property within the zone set the percentage of their increased tax that will be dedicated to the tax increment fund.

Appropriate taxing units contribute a portion of their increased tax revenues collected each year under the plan to the tax increment fund. The taxing units can determine the amount of their tax increment for a year either by:

- the amount of property taxes the unit levied and assessed for that year on the captured appraised value of real property that is taxable and located in the reinvestment zone; or
- the amount of property taxes the unit levied and collected for that year on the captured appraised value of real property taxable and located in the reinvestment zone.

Step 7: Implement tax increment financing

Once the reinvestment zone is established, the zone's board of directors must make recommendations to the city's governing body on implementing the tax increment financing as stated in Tax Code, Section 311.010(a). Once the city, by ordinance, or the county, by order, has created the reinvestment zone, the board of directors may exercise any power granted to them by the Tax Increment Financing Act. By ordinance, resolution or order, the city or county may authorize the board of directors of the reinvestment zone to exercise any of the city or county's powers with respect to the administration, management or operation of the zone or the implementation of the project plan for the zone. However, the city or county may not authorize the board of directors to issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan.

Step 8: Submit an annual report

The governing body of a city or county is to within 150 days of the end of the fiscal year submit an annual report to the chief executive officer of each taxing unit that levies taxes on property within the zone as per Tax Code, Section 311.016(a) and (b). The copy of this report must be provided to the Comptroller and include the following items:

- the amount and source of revenue in the tax increment fund established for the zone;
- the amount and purpose of expenditures from the fund;
- the amount of principal and interest due on outstanding bonded indebtedness;
- the tax increment base and current captured appraised value retained by the zone;
- the captured appraised value shared by the city and other taxing units;
- the total amount of tax increments received; and
- any additional information necessary to demonstrate compliance with the city- or county-adopted tax increment financing plan.

Need Help?

For additional information, contact the Data Analysis and Transparency Division

[comptroller.texas.gov/economy/contact.php] via email [<mailto:econ.dev@cpa.texas.gov>] or at 800-531-5441, ext. 3-4679, or 512-463-4679.

Disclaimer

This information should not be construed as, and is not a substitute for, legal advice.

Property owners and school districts are urged to consult the Attorney General's Economic Development Handbook and their own legal counsel for any questions or interpretations of economic development laws.



Economic Development

Chapter 311 Frequently Asked Questions

Tax Increment Finance (TIF) Projects

What is Tax Increment Finance (TIF)?

TIF is a tool that incentivizes economic development. It is governed by Tax Code, Chapter 311. Cities, alone or in partnership with other taxing units, can use tax increment financing to pay for improvements to a zone so it will attract new development.

What is a Tax Increment Reinvestment Zone (TIRZ)?

A TIRZ is the real property that is taxed to fund the TIF project. The zone is created when the TIF project begins.

SEC. 311.003

What are some benefits of using the TIF development tool?

A TIRZ can:

- construct needed public infrastructure in areas with little development or lacking adequate development to attract businesses;
- encourage development, thereby increasing property values and long-term property tax collections; and
- reduce the cost of private development by providing reimbursement for eligible public improvements.

Is TIF an additional tax burden?

No, TIF does not impose a new tax. Instead, it uses improvements to spur development and raise property values within a zone. Then it funnels some of the tax collected on that increase in value into a fund that pays for the improvements.

What is required to implement a TIF project?

Each TIF project requires:

- a TIRZ that includes taxable real property;
- a project plan that describes the improvements that will be made;
- a financing plan that describes how the improvements will be paid for;
- a board of directors to manage the project; and
- a tax increment fund to collect revenue and make payments.

Why do local governments use TIF?

A TIF project jumpstarts development so it can start generating additional tax revenue for the local government. The local governments that participate in a TIF project make an up-front commitment to creating public improvements within the zone. These improvements encourage private investment in the zone, such as new business growth, that increases property values and generates new tax revenues. TIF allows the

What is the tax increment?

The tax increment comprises the ad valorem taxes collected from increased value within the zone.

Ad valorem taxes also known as property taxes are locally assessed taxes. The county appraisal district appraises property located in the county, while local taxing units set tax rates and collect property taxes based on those values. Property taxes provide tax dollars for local services - helping pay for parks, city streets, county roads, police, fire protection, emergency medical service and many other services.

SEC. 311.012

What is the project plan?

The project plan details the specific improvements that will be made.

SEC. 311.011

What is the financing plan?

The financing plan details how the improvements will be paid for.

SEC. 311.011

How many board members are required for a tax increment project?

For a normal TIRZ, the board of directors must consist of at least five members and usually does not exceed 15.

SEC. 311.009, SEC. 311.0091

What is the tax increment fund?

The zone's board of directors establishes the fund to receive all revenues and make all disbursements for the TIF project.

SEC. 311.012

Which taxing units can participate in TIF?

Any taxing unit that collects ad valorem taxes from property in the TIRZ may participate in a TIF project, but only a city or county can initiate a TIF project and create a TIRZ. The governing body of the city or county that creates the TIRZ is responsible for the TIF project.

Sec. 311.003(a)

What kinds of projects can TIF be used for?

TIF projects can be used to pay for:

- roads, sidewalks and other public infrastructure;
- demolition;
- building facade preservation;
- remediation of contamination;
- affordable housing;
- railroad and transit facilities;
- public buildings;
- school buildings; and
- other projects.

Sec. 311.008(4B)

Are there reporting requirements for TIF?

Yes. The governing body of the city or county that created the TIRZ must send an annual report detailing the TIF project's progress to the chief executive officer of each taxing unit participating in the TIRZ and to the Texas Comptroller of Public Accounts.

SEC. 311.016

Tax Increment Reinvestment Zones

Can counties create a TIRZ?

Maybe. The Tax Code says counties can create a TIRZ, but there are questions as to whether the constitution allows it - specifically, the equal and uniform taxation requirement in the Texas Constitution Article VIII, Section 1A may prohibit a county from creating a TIRZ. This is highlighted in Attorney

General Opinion No. KP-0004. To date, the Comptroller has not been notified of any TIRZ created by a county. However, counties can participate in a TIF project initiated by a city.

SEC. 311.003

How is a TIRZ created?

A TIRZ is created when a city passes an ordinance designating it. The zone may only be created if the governing body of the city determines that development or redevelopment of the area would not occur through private investment in the foreseeable future.

SEC. 311.003

What is a city required to do before it creates a TIRZ?

The governing body of a city must prepare a preliminary financing plan and hold a public hearing on the creation of the zone and its suggested benefits.

SEC. 311.003

When are the public hearings to be held regarding the designation of a TIRZ?

No later than the seventh day before the date of the hearing, a notice must be published in a newspaper with a general circulation in the city.

SEC. 311.003

Is a public hearing ever required for a TIF project after the zone is created?

Yes, a new public hearing is required if the city wants to adopt an ordinance that will:

- change the boundaries of the zone;
- extend the term of all or a portion of the zone;
- increase the amount of bond indebtedness the project will incur;
- change the percentage of a tax increment;
- increase the total estimated project costs; or
- designate additional property within the zone to be acquired.

SEC. 311.007, SEC. 311.011

What needs to be included in the ordinance that creates a TIRZ?

The ordinance must:

- describe the boundaries of the zone;

- create a board of directors for the reinvestment zone and specify the number of directors on the board;
- provide that the zone takes immediate effect upon passage of the ordinance;
- provide the date when the zone is to be terminated;
- assign a name to the zone using the format "Reinvestment Zone Number One (Two, etc.), City of (Name of City)";
- establish a tax increment fund for the zone;
- contain findings that improvements in the zone will significantly enhance the value of all the taxable real property in the zone and will be of general benefit to the city; and
- list the criteria the area meets for creating a reinvestment zone.

SEC. 311.004

What criteria must an area meet to create a TIRZ?

An area must:

- substantially arrest or impair the growth of a municipality, retarding the provision of housing, constituting an economic liability, and be a menace to the public health, safety, morals or welfare in its present condition and use because of:
 - a substantial number of substandard, slum, deteriorated or deteriorating structures;
 - the predominance of defective or inadequate sidewalks or streets;
 - faulty size, adequacy, accessibility or usefulness of lots;
 - unsanitary or unsafe conditions;
 - the deterioration of site or other improvements;
 - tax or special assessment delinquency exceeding the fair value of the land;
 - defective or unusual conditions of title;
 - conditions that endanger life or property by fire or other cause; or
 - structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial or residential purposes during the last 12 years, if the city has a population of 100,000 or more;
- be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, substantially impair the sound growth of the city; or
- be in a federally assisted new community located in the city or in an area immediately adjacent to a federally assisted new community.

SEC. 311.005

Is there any other way to create a TIRZ?

Yes. Property owners can submit a petition requesting an area be designated as a TIF zone if they own at least 50 percent of the appraised value of the property in a requested zone. The laws governing TIRZ created by petition differ from regular TIF projects.

SEC. 311.005**Can a city create a TIRZ anywhere?**

No, a city may not designate a reinvestment zone if:

- more than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; or
- the total appraised value of taxable real property in the proposed zone and in all other existing reinvestment zones exceeds:
 - 25 percent of the total appraised value of taxable real property in the city and in the industrial districts created by the city, if the city has a population of 100,000 or more; or
 - 50 percent of the total appraised value of taxable real property in the city and in the industrial districts created by the city, if the city has a population of less than 100,000.

Property is used for residential purposes if it is occupied by a house with fewer than five living units, and the appraised value is determined according to the most recent appraisal rolls for the city.

SEC. 311.006**Can a city change the boundaries of a TIRZ?**

Yes, but only if the changed boundaries continue to meet the restrictions for the creation of TIRZ, and only with a public hearing and an ordinance describing the new boundaries.

SEC. 311.007**What public improvements can a city make in a TIRZ?**

A city may acquire, construct, reconstruct or install public works, facilities or sites or other public improvements, including:

- utilities;
- streets;
- street lights;
- water and sewer facilities;
- pedestrian malls and walkways;
- parks;
- flood and drainage facilities; and
- parking facilities.

SEC. 311.008**Can a TIRZ be terminated?**

Yes. A city that created a TIRZ can terminate it by approving an ordinance that designates a termination date. Termination also occurs when all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full.

SEC. 311.017

Does a participating taxing unit need to continue contributing to the zone after the termination date?

No. A taxing unit that did not create the TIRZ but participates in the zone is not required to pay any of its tax increment into the tax increment fund after the termination date designated in the ordinance unless the participating taxing unit's governing body enters into an agreement to do so with the governing body of the city that created the zone.

SEC. 311.017

Tax Increment

How much is the tax increment?

Each taxing unit's tax increment is the amount of ad valorem tax assessed or collected on the captured appraised value of property within the zone.

SEC. 311.012

What is the captured appraised value?

The captured appraised value is the total value of all real property that is taxable within the zone minus the tax increment base.

SEC. 311.012

What is the tax increment base?

The tax increment base is the total value of all real property that is taxable the year the zone is created.

SEC. 311.012

How do these values work together?

Each year the appraisal district assigns a value to the taxable real property within the zone. The year the zone is created, that value is the tax increment base. Every following year, that value is the captured appraised value. The captured appraised value minus the tax increment base is the tax increment.

SEC. 311.012

Does a taxing unit have to give its whole tax increment to the TIF project?

No. Each participating taxing unit chooses a percentage of its tax increment that will be deposited in the tax increment fund. If a taxing unit does not set the percentage when the zone is created or when it joins the TIF project, it defaults to 100 percent of the tax increment.

SEC. 311.013

Project & Financing Plans

What does the project plan include?

The project plan must include:

- a description and map showing existing uses and conditions of real property in the zone and proposed uses of that property;
- proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
- a list of estimated non-project costs; and
- a method of relocating persons to be displaced, if any, as a result of implementing the plan.

SEC. 311.011

What does the financing plan include?

The financing plan must include:

- a detailed list describing the estimated project costs of the zone, including administrative expenses;
- a statement listing the proposed kind, number and location of all public works or public improvements to be financed by the zone;
- a finding that the plan is economically feasible and an economic feasibility study;
- the estimated amount of bonded indebtedness to be incurred;
- the estimated time when related costs or monetary obligations are to be incurred;
- a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay the project costs;
- the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute to the zone;
- a current total appraised value of taxable real property in the zone;
- the estimated captured appraised value of the zone during each year of its existence; and
- the duration of the zone.

SEC. 311.011

How are the project and financing plans created?

The board of directors of the zone must prepare and adopt the plans and submit them to the governing body of the city that created the zone. The governing body must approve the plans by ordinance.

SEC. 311.011

Can the project and financing plans be changed?

Yes. The plans can be amended if the amendments are adopted by the board of directors and approved by the governing body of the city that created the zone. Before approving the amended plans, the governing body must hold a public hearing and approve the amendments by ordinance if the amendment:

- changes the size of the zone;
- increases the debt that will be incurred;
- changes the tax increment that a participating taxing unit contributes;
- increases the project costs; or
- requires the purchase of new property.

SEC. 311.011

What authority does a city have to implement the project and financing plans?

A city can:

- prepare, approve and implement the project and financing plans;
- acquire and sell real property as needed;
- enter into agreements necessary to implement the project plans;
- preserve historic sites;
- provide public works or public facilities; or
- make public improvements.

SEC. 311.008

Board Of Directors

Who appoints the board members?

The city and the other participating taxing units appoint board members. The board is made up of:

- up to 10 directors appointed by the city; and
- one director appointed by every other taxing unit that is contributing to the project.

If other taxing units appoint fewer than five directors, then the city that created the zone may appoint additional directors as long as the board does not consist of more than 15 members.

Note: If the city creating the zone has a population greater than 1.1 million or the zone is being created by petition, the membership of the board may differ.

SEC. 311.009

How long does a member serve on the board of directors?

Members serve two-year terms. Those terms may be staggered at the discretion of the governing body that created the zone. Members may be reappointed.

SEC. 311.009

What happens to a board position that becomes vacant?

The taxing unit that appointed the original director fills the vacancy for the unexpired term.

SEC. 311.009

What are the qualifications to serve on the board of directors?

For a normal reinvestment zone, each board member must be at least 18 years of age and:

- be a resident of the county in which the zone is located or a county adjacent to that county; or
- own real property in the zone.

SEC. 311.009

Does the board of directors have officers?

Yes. Each year the city appoints one member to serve as chairman for one year beginning on January 1. The board may elect a vice-chairman and other officers as it considers appropriate. The vice-chairman will preside over the board when the chairman is absent.

SEC. 311.009

What duties and powers does the board have?

The board makes recommendations to the city about administration of the TIF project. The board has the same powers the city has to implement the project and financing plans, except the board needs the city's consent to acquire or sell real property. With city approval, the board has zoning authority within the zone.

SEC. 311.010

Which additional powers may the city grant to the board?

The city, by ordinance or resolution, may authorize the board to use most of the city's powers to administer the zone and implement the project plan. The city can also restrict the board's power by passing an ordinance or resolution. The governing body may not authorize the board of directors to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the project plan.

SEC. 311.010

Can the board contract with other entities to implement the TIF project?

Yes, with city approval. The board and the governing body of the city may enter into agreements with other entities to implement the project plan and the financing plan.

SEC. 311.010

Tax Increment Fund**What revenues are deposited into the tax increment fund?**

The tax increments from all the taxing units participating in the TIF project are deposited into the fund. The zone board may collect other revenues and deposit them into the fund, including:

- all revenues from the sale of tax increment bonds or notes;
- revenues from the sale of any property acquired as part of the tax increment financing plan;
- a sales tax increment; and
- loans made to the zone by the city that created it.

SEC. 311.014

Who collects the tax increments?

Each participating taxing unit arranges to collect its own taxes.

SEC. 311.013

When are the tax increment payments due?

A taxing unit must make a payment not later than the 90th day after the later of:

- the delinquency date for the unit's property taxes; or
- the date the city that created the zone submits an invoice to the taxing unit.

SEC. 311.013

What happens if a tax increment payment is late?

A delinquent payment incurs a penalty of 5 percent of the amount delinquent and accrues interest at an annual rate of 10 percent.

SEC. 311.013

Does a taxing unit have to submit the tax increment payment for taxes that haven't been paid?

No.

SEC. 311.013

Can the city sell bonds to raise revenue?

Yes. The city can sell tax increment bonds or notes to raise revenue to pay for project costs. The principal and interest from tax increment bonds and notes may only be paid from money in the tax increment fund.

SEC. 311.015

Does a city need to get voter approval for tax increment bonds or notes?

No. A city may issue tax increment bonds or notes by passing an ordinance approving the sale.

SEC. 311.015

What can money in the tax increment fund be spent on?

Money from the fund is used only to satisfy the claims of holders of tax increment bonds or notes by:

- paying project costs;
- making payments for contracts related to the project; or
- repaying other obligations incurred in the zone.

SEC. 311.014

How are the project costs paid?

The board of directors makes all payments for project costs from the tax increment fund. Project costs can be paid over time as tax increments are collected, or the city can sell tax increment bonds to raise revenue immediately.

SEC. 311.014

Can money in the tax increment fund be invested?

Yes. Money in the fund may be temporarily invested if an agreement is reached with the holders of tax increment bonds or notes.

SEC. 311.014

What is a sales tax increment?

It is the amount of municipal sales and use taxes attributable to the zone for a particular year in excess of the sales tax base.

SEC. 311.0123

What is the sales tax base?

It is the amount of municipal sales and use taxes attributable to the zone for the year the zone was designated.

SEC. 311.0123

Is a city required to deposit the whole sales tax increment in the tax increment fund?

No. The city sets the portion of the sales tax increment that it wants to deposit. The city can choose to deposit all, some or none of the sales tax increment.

SEC. 311.0123

When is the sales tax increment set?

The sales tax increment is set in the ordinance the city passes to create the zone or in a subsequent ordinance for the zone.

SEC. 311.0123

How is the sales tax increment deposited into the tax increment fund?

At the direction of the city, the Comptroller will deposit the sales tax increment directly into the fund.

SEC. 311.0123

What happens to money that remains in the fund after a TIRZ is terminated?

After all project costs and other obligations have been paid, any money remaining in the fund is disbursed back to the participating taxing units in proportion to each jurisdiction's share of the total tax increments collected.

SEC. 311.014

Reporting**Who is required to submit the annual report?**

The governing body of the city that created the zone is required to submit the annual report to the chief executive officer of each taxing unit that is participating in the zone and to the Comptroller's office.

SEC. 311.016

When is the annual report due?

The annual report is due on or before the 150th day after the end of the city's fiscal year.

SEC. 311.016

What must the annual report include?

The annual report must include:

- the amount and source of revenue in the tax increment fund;
- the amount and purpose of expenditures from the fund;
- the amount of principal and interest due on outstanding bonded indebtedness;
- the tax increment base and current captured appraised value retained by the zone;
- the captured appraised value shared by each taxing unit;
- the total amount of tax increments received; and
- any additional information necessary to demonstrate compliance with the financing plan.

SEC. 311.016

What needs to be submitted to the Comptroller?

The city must electronically provide the following to the Comptroller at econ.dev@cpa.texas.gov [<mailto:econ.dev@cpa.texas.gov>]:

- **Annual report.** Submit Form 50-806 and a copy of the same annual report that is submitted to the other taxing units within 150 days of the end of the city's fiscal year.
- **Zone plans and creation information.** Submit Form 50-807, the ordinance that created the zone, the criteria cited when designating the zone, and the adopted/amended project and financing plans before April 1 of the year after the zone is created (amended project and financing plans are due before April 1 of the year after the plans are modified).

What happens to the submitted information?

The Comptroller compiles the information about each TIRZ and submits a report to the Legislature and the governor before each legislative session. The Comptroller also keeps a registry of all tax increment reinvestment zones that includes the zone information, project plans, financing plans and annual reports.

SEC. 311.0163, SEC. 311.019

What information about TIRZ is available to the public?

Information about each TIRZ is available in the Biennial Registries of Reinvestment Zones for Tax Abatements and Tax Increment Financing [comptroller.texas.gov/economy/local/ch311/biennial-reports.php]. The Comptroller's Data Analysis and Transparency Division can answer questions by phone at 800-531-5441 ext. 5-0664 or by email at econ.dev@cpa.texas.gov [<mailto:econ.dev@cpa.texas.gov>]. Additional information can be obtained by submitting a written request to open.records@cpa.texas.gov [<mailto:open.records@cpa.texas.gov>].

Other Issues

Can property in the zone be abated?

Yes, but only with the consent of the board of directors and the governing body of each taxing unit participating in the zone.

SEC. 311.0125

Does the Comptroller's office provide assistance to local governments regarding TIFs?

Yes. The Comptroller does offer guidance and technical assistance to city's interested in tax increment finance. Just call 800-531-5441 ext. 5-0664 or email at econ.dev@cpa.texas.gov [<mailto:econ.dev@cpa.texas.gov>] to get the assistance needed.

Need Help?

For additional information, contact the Data Analysis and Transparency Division [comptroller.texas.gov/economy/contact.php] via email [<mailto:econ.dev@cpa.texas.gov>] or at 800-531-5441, ext. 3-4679, or 512-463-4679.

Disclaimer

This information should not be construed as, and is not a substitute for, legal advice.

Property owners and school districts are urged to consult the Attorney General's Economic Development Handbook and their own legal counsel for any questions or interpretations of economic development laws.

ATTACHMENT 4

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
December 4, 2018
Minutes

Board Members Present:

Kathleen Lowman
Dr. Albert Ruiz
Rudy Galvan
Lupita Perez
Patsy Rodgers
Charles Schultz
Filiberto Treviño
Steven Vaughn

Board Members Absent:

None

*Approved
with
change*

*Need to
correct*

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Dony Cantu
Jacob Hinojosa

Guests Present:

Barrera
Brandon Herrera

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:37 p.m. A quorum was present.

2. Citizen Comments.

Ms. Lowman opened the floor to citizen's comments. No citizen comments were made.

3. Approval of Minutes.

Dr. Ruiz requested a change to item 12 on the October 23, 2018 minutes to clarify that the vote was in favor of not participating in the study. Dr. Ruiz then made a motion to approve the minutes of the October 23, 2018 Regular Meeting with the recommended change. Mr. Galvan seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

Ms. Wagner presented the following updated September 2018 reports:

Revenue Fund Income Statement for period ending September 30, 2018
Tax Fund Income Statement for period ending September 30, 2018
Special Services Income Statement for period ending September 30, 2018
STWA Revenue Fund Balance Sheet – September 30, 2018
STWA Revenue Fund GL Account Summary Report as of September 30, 2018
STWA Debt Service Fund Income Statement for period ending September 30, 2018

STWA Debt Service Fund Balance Sheet September 30, 2018
STWA Debt Service Fund GL Account Summary Report as of September 30, 2018

She explained that after the September Treasurer's Report was approved at the October 23, 2018 meeting, some correcting entries were made and some expenditures that came in late were added.

In addition, the following reports were presented for the Board's consideration:

Treasurer's Report for period ending October 31, 2018
Revenue Fund Income Statement for period ending October 31, 2018
Tax Fund Income Statement for period ending October 31, 2018
Special Services Income Statement for period ending October 31, 2018
STWA Revenue Fund Balance Sheet – October 31, 2018
STWA Revenue Fund GL Account Summary Report as of October 31, 2018
STWA Debt Service Fund Income Statement for period ending October 31, 2018
STWA Debt Service Fund Balance Sheet October 31, 2018
STWA Debt Service Fund GL Account Summary Report as of October 31, 2018
STWA Capital Projects Fund Income Statement for period ending October 31, 2018
STWA Capital Projects Fund Balance Sheet – October 31, 2018
STWA Capital Projects Fund GL Account Summary Report as of October 31, 2018
STWA 2012 Bond Election Report
FY 2018 Anticipated vs. Actual Water Rate Charged
FY 2019 Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor

The following outstanding invoices were presented for Board approval:

• NewGen Strategies	\$ 835.00
• Willatt & Flickinger, Attorneys at Law	\$ 3,602.40
• City of Corpus Christi	\$ 79,350.59
• Kevin Kieschnick-NC Tax Assessor	\$ 9,318.47
• NewGen Strategies	\$ 250.00
• Kleberg County Appraisal District	\$ 5,344.78
• Willatt & Flickinger, Attorneys at Law	\$ 1,377.60

Mr. Treviño asked if overhead expenses related to the cathodic protection project are being tracked and requested that staff research the guidelines for tracking those expenses. Ms. Wagner agreed to check with STWA's auditors. A motion was made by Mr. Galvan to approve the Treasurer's Report and payment of the bills as presented. Mr. Treviño seconded. The motion carried.

5. Update on TCEQ Enforcement Action and State Office of Administrative Hearings.

Ms. Serrato reported that the last quarterly report was submitted to TCEQ on November 26, 2018. A conference call with TCEQ representatives is scheduled for December 12, 2018 and she hopes that a determination will soon be made that STWA has remained in compliance with the

total chlorine 0.5 mg/L requirement for one year. She added that the City of Kingsville has been taking more water recently which has resulted in a notable improvement in the residual.

6. Update on Driscoll Pump Station LAS Chemical Feed System Addition.

Ms. Serrato informed the Board that staff has been consulting with EI2 on the LAS system regarding some of the issues the system is experiencing. Fittings and pressure gauges have been changed out and the system appears to be working as it should although it is presently set to work in manual.

7. Water Supply Contract with the City of Bishop.

Ms. Serrato stated that after the last Bishop City Council meeting, the City's attorney, Gerald Benadum, provided some changes to the water supply contract between the City of Bishop and South Texas Water Authority to Bill Flickinger, Willatt & Flickinger. Mr. Flickinger provided a response on the proposed changes and advised the City that taking water on a quarterly basis does not address the issue of maintaining a residual on the 42" waterline and a weekly basis is the longest period of time that is agreeable. In addition, the license agreements were removed from the contract as requested by the City; but, Mr. Flickinger recommends against signing the water supply contract until the license agreements are finalized. Ms. Serrato stated that the license agreement will be presented as a separate agenda item. She added that the City met on November 28th but the water supply contract was not an item on the agenda. She recommended approval of Mr. Flickinger's redline changes on the November 14, 2018 version of the water supply contract. Mr. Schultz made a motion to approve the November 14, 2018 redline water supply contract. The motion was seconded by Mr. Treviño and passed by unanimous vote.

8. License Agreement with City of Bishop for Pump Station Facilities.

Ms. Serrato stated that as requested by the City of Bishop and in order to continue negotiations on the water supply contract, the license agreement has been extracted from the contract and is being presented as a separate agenda item. She stated, however, that she and Mr. Flickinger recommend agreeing to the documents being separated but only if the City executes the license agreement prior to or at the same time as the water supply contract. Mr. Treviño made a motion to approve the License Agreement for the Bishop East Pump Station property contingent on the City executing the license agreement prior to or at the same time as the water supply contract. Ms. Rodgers seconded and all voted in favor.

9. Purchase of real property at site of City of Bishop Pump Station Facilities.

Ms. Serrato stated that rather than entering into a license agreement for use of the Bishop Pump Station property, she prefers purchasing the land. She has been researching the deed history and recommends pursuing purchase of the property including contacting Texas Parks and Wildlife Department about any restrictions based on the grant funds received for park improvements. Mr. Vaughn pointed out that due to the land's proximity to the lake, the area might be grandfathered into the Clean Water Act and if so, the grandfathered status could change if ownership of the property changes hands. Ms. Serrato said she would inquire about this as well. No action was taken by the Board.

10. Water Supply Contract with the City of Driscoll.

Ms. Serrato stated that Mr. John Valls, Interim City Administrator, informed her that the City is not interested in discussing the contract until the third position on the City Commission is filled. An election for a new mayor is being held on December 20th. No Board action was taken.

11. Bids for the purchase of one track hoe/excavator.

Ms. Serrato reported that a request for bids was issued through BuyBoard and presented a summary of the bids and a recommendation from Cathodic Protection Technician Armando Yruegas to award the bid to Doggett Machinery for a Deere 75G at a cost of \$98,565 less \$10,500 for a trade in of the current trackhoe. The bid also offered a warranty of 3 years/3000 hours and a 14 to 30-day delivery. Additionally, in response to a call from Mr. Vaughn voicing concerns that the Bobcat appears to be a better purchase based on horsepower and lifting capacity, she presented comparisons on the various equipment that STWA received bids on. The Bobcat was listed at a higher horsepower than the others and the bid was the lowest received. She added that regardless of which machine is purchased, a new truck and trailer will be needed because the carrying capacity of the current truck and trailer is insufficient for hauling any of the trackhoes that were bid on which weigh between 18,220 to 21,460 pounds. She also noted that the current trackhoe has a hydraulic leak which will need to be repaired prior to trade in at a cost of about \$1,450. Mr. Vaughn suggested contacting the bidders to request a field test of the equipment. The Board decided to table discussion until after field tests are conducted.

12. Resolution 18-20. Resolution awarding the bid for the purchase of one track hoe/excavator.

Mr. Treviño made a motion to table Resolution 18-20. Mr. Schultz seconded. All voted in favor.

13. Quote for Kingsville Pump Station Rehab – WP Construction – Replace Mercer Quote.

Ms. Serrato presented a quote from WP Construction in the amount of \$22,450 for rehabilitation of the Kingsville Pump Station. She explained that Mercer Controls had previously submitted a quote but their subcontractor is no longer working in this area. Mr. Schultz made a motion to award the bid for the Kingsville Pump Station rehabilitation to WP Construction in the amount of \$22,450. Mr. Treviño seconded and the motion carried.

14. City of Corpus Christi Rate Model and True Up.

Ms. Serrato reported that the City of Corpus Christi's latest model shows that the raw water and treated rates are below the rates used to adopt STWA's budget. The City will be having a second reading on their rate ordinance on December 11th. She presented a draft letter notifying STWA's Wholesale Customers of the City's rates and proposed sending the letters once the Council has taken final action to adopt the ordinance. Mr. Vaughn made a motion to authorize sending the letter to STWA's Wholesale Customers contingent on the City formally passing the ordinance adopting the rates. Ms. Rodgers seconded the motion. The motion passed unanimously.

15. High Touch Technologies proposals for network and IT support.

Ms. Serrato presented two proposals from High Touch Technologies. The first is a Managed Services Agreement proposal for 24-hour monitoring and onsite or remote technical support of the STWA server and thirteen personal computers including the Middleware server at a cost of \$820 per month for a 12-month term, \$740 per month for a 24-term or \$690 per month for a 36-month term. The cost would be allocated to STWA, Nueces Ricardo Water Supply Corporation and Ricardo Water Supply Corporations based on the usage of the various computers by the three entities. In addition, High Touch has agreed to absorb an outstanding invoice in the amount of \$2,640 for work already performed if STWA enters into an Agreement by the end of the month. The second proposal in the amount of \$2,825 is for purchase of a NAS server and drive associated with implementing cloud backups. The Board questioned the need for this equipment to perform the backups since a server is already in place. After discussion and inquiries from the Board, Ms. Serrato agreed to ask High Touch if there is a penalty for early termination of the agreement and how many calls for service are allowed by the contract. Mr. Schultz suggested seeking a proposal for similar services from Brian Birdwell who performs these services for Kleberg County and agreed to ask Mr. Birdwell to contact Ms. Serrato to provide a proposal and to determine if the additional hardware is necessary.

Mr. Treviño made a motion authorizing purchase of the hardware if necessary to allow cloud access at a cost not to exceed \$2,825. Mr. Schultz seconded. All voted in favor. Mr. Treviño made a motion to authorize entering into a contract with High Touch for 36 months or with Mr. Birdwell if the net amount of his proposal over three years after taking into account the \$2,640 outstanding invoice is more advantageous. Mr. Vaughn seconded. All voted in favor.

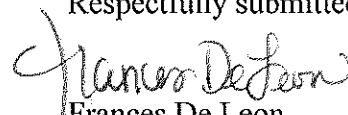
16. ERCOT Membership Meeting and Proxy.

Ms. Serrato presented information on the December 11, 2018 Annual ERCOT Membership Meeting including a proxy form which needs to be submitted by December 7th. She explained that TCAP attorney Christopher Brewster is requesting that TCAP members provide a proxy if a representative is not attending the meeting. She added that Mr. Brewster will be attending the meeting and is available to act as STWA's proxy. Ms. Rodgers moved to designate Christopher Brewster as STWA's proxy for the December 11, 2018 Annual ERCOT Membership Meeting. Ms. Perez seconded. All voted in favor.

17. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 7:06 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 5

Quarterly Report/Treasurer's Report/Payment of Bills

Enclosed is the November 2018 Treasurer's Report.
The Quarterly Report, December 2018 Treasurer's Report
and Maintenance & Technical Report
will be provided at the meeting.

SOUTH TEXAS WATER AUTHORITY
Treasurer's Report
For Period Ending November 30, 2018

STWA Water Sales:

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.394856 per 1000 g</u>	<u>Handling Charge @ \$0.426386/1000g</u>	<u>Incremental Increase @ \$0.426386/1000g</u>	<u>Out of District Surcharge and Pass-Thru Credit</u>	<u>Total Due</u>
Kingsville	14,703	\$35,211.57	\$6,269.15	\$0.00	\$0.00	\$41,480.72
Bishop	4,497	\$10,769.67	\$1,917.46	\$1,917.46	\$0.00	\$14,604.58
Agua Dulce	1,748	\$4,185.80	\$745.25	\$0.00	\$0.00	\$4,931.05
RWSC	6,767	\$16,205.99	\$2,885.35	\$0.00	\$0.00	\$19,091.34
Driscoll	3,666	\$8,780.50	\$1,563.30	\$1,563.30	\$0.00	\$11,907.10
NCWCID #5	2,079	\$4,979.43	\$886.55	\$886.55	\$776.49	\$7,529.02
NWSC	13,455	\$32,221.66	\$5,736.82	\$0.00	\$0.00	\$37,958.49
TOTAL	46,915	\$112,354.62	\$20,003.89	\$4,367.31	\$776.49	\$137,502.31

Water Cost and Usage for Period of:

	10/31/18	to	11/30/18
City of Corpus Christi Invoice for Cost of Water Purchased:			\$107,648.79
Gallons of Water Recorded by City of Corpus Christi:			44,950,000
Gallons of Water Recorded by STWA from Customer's Master Meters:			46,914,980
Water Loss Percentage:			-4.37%

Annual Usage for FY 2019

	Annual
Gallons of Water Recorded by City of Corpus Christi:	78,000,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	89,873,060
Water Loss Percentage: (year to date)	-15.22%

**REVENUE FUND
INCOME STATEMENT
FOR PERIOD ENDING NOVEMBER 30, 2018**

16.39%

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
REVENUES						
Water Service Revenue	112,355	215,494	1,366,000	16%	209,416	1,330,515
Handling Charge Revenue	20,004	38,321	221,255	17%	38,587	238,500
Premium Incremental Increase	4,367	7,912	20,000	40%	0	46,600
Surcharge - Out of District	608	1,216	7,299	17%	1,103	6,619
Interest Income	3,901	7,889	37,000	21%	3,175	33,000
Other Revenue						
Operating & Maintenance Fees	0	0	0	0%	0	0
Miscellaneous Revenues	1,243	1,938	5,000	39%	211	29,350
TOTAL REVENUES	142,479	272,769	1,656,554	16%	252,492	1,684,584
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	107,649	186,999	1,366,000	14%	197,730	1,330,515
Payroll Costs						
Salaries & Wages - Perm. Employees	29,699	62,660	329,340	19%	47,113	317,342
Salaries & Wages - Part-Time	115	153	1,677	9%	210	1,375
Overtime - NWSC	0	0	0	0%	0	0
Stand-by Pay - NWSC	0	0	0	0%	0	0
Overtime - RWSC	0	0	0	0%	0	0
Stand-by Pay - RWSC	0	0	0	0%	0	0
Overtime - STWA	1,417	2,742	21,000	13%	3,788	19,300
Stand-by Pay - STWA	100	200	1,300	15%	200	1,300
Employee Retirement Premiums	4,150	7,119	44,959	16%	5,946	52,561
Group Insurance Premium	15,006	27,011	169,292	16%	24,970	162,178
Unemployment Compensation	(29)	-29	1,034	-3%	49	1,300
Workers' Compensation	(555)	9,386	6,841	137%	9,234	6,004
Car Allowance	500	1,000	6,000	17%	900	5,900
Hospital Insurance Tax	294	591	3,817	15%	451	3,728
Supplies & Materials						
Repairs & Maintenance	6,004	7,621	80,000	10%	10,043	120,000
Meter Expense	0	2,350	5,000	47%	2,250	12,525
Tank Repairs	0	0	25,000	0%	0	26,140
Major Repairs	0	0	25,000	0%	0	25,000
Other Operating Expenditures:						
Professional Fees						
Legal	1,378	4,980	30,000	17%	2,077	11,500
Auditing	4,850	5,008	9,750	51%	8,844	9,370
Engineering	888	1,480	12,500	12%	26,620	70,000
Management & Consulting	250	1,085	7,500	14%	278	3,500
Inspection	0	0	4,000	0%	0	2,725
Leak Detection	0	0	0	0%	55,440	55,440
Banquete Overhead Tank Demolition	0	0	30,000	0%	0	0
Consum Supplies/Materials						
Postage	308	2,308	6,500	36%	263	6,500
Printing/Office Supplies	606	875	27,500	3%	5,234	26,500
Janitorial/Site Maintenance	245	329	6,000	5%	572	6,000
Fuel/Lubricants/Repairs	7,116	11,211	34,000	33%	3,336	35,000
Chemicals/Water Samples	6,886	9,227	52,500	18%	7,603	58,000
Safety Equipment	0	1,481	1,500	99%	0	1,500
Small Tools	0	263	2,000	13%	529	2,500

16.39%

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
Recurring Operating Costs						
Telephone/Communications	1,488	3,128	20,654	15%	4,319	23,500
Utilities	8,022	10,377	112,500	9%	12,288	97,600
D & O Liability Insurance	0	1,164	3,500	33%	1,164	2,000
Property Insurance	10,512	47,292	30,000	158%	33,247	29,500
General Liability	0	1,192	2,750	43%	1,247	2,750
Auto Insurance	0	2,219	2,050	108%	2,050	2,051
Travel/Training/Meetings	110	346	10,000	3%	776	9,000
Rental-Equipment/Uniforms	308	456	5,000	9%	700	5,000
Dues/Subscriptions/Publication	236	1,606	15,000	11%	1,740	12,500
Pass Through Cost	0	1	600	0%	107	800
Educational Materials	0	0	0	0%	0	0
Miscellaneous						
Miscellaneous Expenditures	933	1,066	7,500	14%	1,217	6,200
Total Administrative & Operations Exp.	208,485	414,897	2,519,564	16%	472,536	2,564,604
Capital Outlay						
Capital Acquisition	31,354	44,467	240,400	18%	11,885	88,760
Engineering	0	0	0	0%	0	11,625
TOTAL EXPENDITURES (w/o D.S. exp.)	239,839	459,365	2,759,964	17%	484,421	2,664,989
Excess (Deficiencies) of Revenue Over Expenditures	(97,360)	(186,596)	(1,103,410)	17%	(231,929)	(980,405)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	0	0	(1,238,343)	0%	0	(1,086,140)
Extra Ordinary Income						(24,257)
Disposition of Assets (Surplus Sale)	0	0	(1,500)	0%	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	(1,239,843)	0%	0	(1,110,397)
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)						
	(97,360)	(186,596)	136,433		(231,929)	129,992
NET INCOME	(97,360)	(186,596)	136,433		(231,929)	129,992

**TAX FUND
INCOME STATEMENT
FOR PERIOD ENDING NOVEMBER 30, 2018**

16.39%

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	64,484	170,103	1,257,158	13%	164,050	1,083,000
Delinquent Tax Revenue	3,259	7,125	27,500	30%	8,121	38,000
Penalty & Interest - Tax Accounts	926	2,934	16,000	18%	2,905	22,600
Miscellaneous	94	94	0	0%	0	0
TOTAL TAXES & INTEREST	68,763	180,257	1,300,658	13%	175,076	1,143,600
EXPENDITURES						
Tax Collector Fees	1,069	27,779	38,597	64%	24,706	36,575
Appraisal Districts	4,187	0	23,718	0%	0	20,885
TOTAL EXPENDITURES	5,256	31,966	62,315	40%	24,706	57,460
Transfer to General Fund	0	0	1,238,343	0%	0	1,086,140
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	63,507	148,291	0		150,370	0

**SPECIAL SERVICES
INCOME STATEMENT
FOR PERIOD ENDING NOVEMBER 30, 2018**

16.39%

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	18,614	38,316	302,824	13%	39,400	283,605
Nueces Water Supply Corporation	15,975	32,873	285,529	12%	40,183	266,294
TOTAL REVENUES	34,589	71,189	588,353	12%	79,583	549,899
EXPENDITURES						
Personnel	22,402	45,759	319,559	14%	52,008	292,673
Overhead	27,378	50,093	268,794	19%	38,125	257,225
TOTAL EXPENDITURES	49,780	95,852	588,353	16%	90,133	549,898
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(15,191)	(24,663)	0		(10,550)	1

South Texas Water Authority
Balance Sheet
November 30, 2018

ASSETS

Current Assets

STWA - General	\$	121,824.73	
STWA - Payroll		3,532.23	
STWA - Operations		15,645.08	
Petty Cash		150.00	
TexPool - STWA General		2,160,587.34	
Due From Capital Projects Fund		48,647.30	
Due from Debt Service Fund		1,083.67	
Due from D.S. -Collect Service		10,815.55	
Tax Accounts Receivable		154,713.31	
Allowance for Uncollect Taxes		(66,653.05)	
Service accts receivable		302,634.46	
Interlocal Rec-Bishop		1,032.70	
Interlocal Rec-Ricardo		9,233.05	
Interlocal Rec-Nueces		5,794.99	
Interlocal Rec. - Tax Assessor		6,092.21	
Inventory		17,836.50	
Total Assets			\$ 2,792,970.07

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Trade Accounts Payable	\$	270,858.32	
Salaries & Wages Payable		17,270.40	
Unemployment Comp. Pbl.		52.80	
Miscellaneous Payables		559.90	
Compensated Absences		19,571.30	
Deferred tax revenue		88,060.26	
Due to Debt Service Fund		1,128.19	
Total Liabilities			397,501.17

Fund Equity

Unassigned Fund Balance		2,440,600.18	
Assigned Fund Bal. - Inventory		17,836.50	
Current Earning		(62,967.78)	
Total Fund Equity			2,395,468.90
Total Liabilities & Fund Equity			\$ 2,792,970.07

**South Texas Water Authority
 GI Account Summary Report
 As of: November 30, 2018**

<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
Current Assets					
STWA - General	107,478.95	\$ 82,069.08	\$ (67,723.30)	\$ 14,345.78	\$ 121,824.73
STWA - Payroll	35,787.58	6.47	(32,261.82)	(32,255.35)	3,532.23
STWA - Operations	62,117.02	16.18	(46,488.12)	(46,471.94)	15,645.08
Petty Cash	150.00	0.00	0.00	0.00	150.00
TexPool - STWA General	2,083,575.57	77,011.77	0.00	77,011.77	2,160,587.34
Due From Capital Projects Fund	41,361.81	7,285.49	0.00	7,285.49	48,647.30
Due from Debt Service Fund	1,070.00	13.67	0.00	13.67	1,083.67
Due from D.S. -Collect Service	9,361.76	1,453.79	0.00	1,453.79	10,815.55
Tax Accounts Receivable	154,713.31	0.00	0.00	0.00	154,713.31
Allowance for Uncollect Taxes	(66,653.05)	0.00	0.00	0.00	(66,653.05)
Service accts receivable	217,360.99	165,863.06	(80,589.59)	85,273.47	302,634.46
Interlocal Rec-Bishop	1,174.19	413.17	(554.66)	(141.49)	1,032.70
Interlocal Rec-Ricardo	5,230.23	4,002.82	0.00	4,002.82	9,233.05
Interlocal Rec-Nueces	3,470.00	2,324.99	0.00	2,324.99	5,794.99
Interlocal Rec. - Tax Assessor	10,570.50	6,092.21	(10,570.50)	(4,478.29)	6,092.21
Inventory	17,836.50	0.00	0.00	0.00	17,836.50
Total Assets	2,684,605.36	346,552.70	(238,187.99)	108,364.71	2,792,970.07
Current Liabilities					
Trade Accounts Payable	(118,517.82)	89,487.16	(241,827.66)	(152,340.50)	(270,858.32)
Salaries & Wages Payable	(12,336.00)	12,336.00	(17,270.40)	(4,934.40)	(17,270.40)
Hospital Ins Tax Payable	0.00	1,299.10	(1,299.10)	0.00	0.00
Withholding Taxes Payable	0.00	4,013.45	(4,013.45)	0.00	0.00
Emply Retire Prem Payable	0.00	10,974.90	(10,974.90)	0.00	0.00
Unemployment Comp. Pbl.	(23.94)	0.00	(28.86)	(28.86)	(52.80)
Miscellaneous Payables	(623.74)	10,149.46	(10,085.62)	63.84	(559.90)
Compensated Absences	(19,571.30)	0.00	0.00	0.00	(19,571.30)
Deferred tax revenue	(88,060.26)	0.00	0.00	0.00	(88,060.26)
Due to Debt Service Fund	(959.94)	0.00	(168.25)	(168.25)	(1,128.19)
Total Liabilities	(240,093.00)	128,260.07	(285,668.24)	(157,408.17)	(397,501.17)
Fund Equity					
Unassigned Fund Balance	(2,440,600.18)	0.00	0.00	0.00	(2,440,600.18)
Assigned Fund Bal. - Inventory	(17,836.50)	0.00	0.00	0.00	(17,836.50)
Total Fund Equity	(2,458,436.68)	0.00	0.00	0.00	(2,458,436.68)
Totals	(13,924.32)	\$ 474,812.77	\$ (523,856.23)	\$ (49,043.46)	\$ (62,967.78)

**DEBT SERVICE FUND
INCOME STATEMENT
FOR PERIOD ENDING NOVEMBER 30, 2018**

16.39%

		2019	% OF 2018	2018	2018
	MONTHLY	ADOPTED	ADOPTED	YEAR TO	FINAL
	YEAR TO	BUDGET	BUDGET	DATE	BUDGET
	DATE				
REVENUES					
Ad-Valorem - Current	17,837	47,055	364,889	13%	53,512
Delinquent Tax Revenue	1,068	2,206	7,000	32%	2,542
Penalty & Interest - Tax Accounts	289	593	5,500	11%	735
Out-of-District Surcharge	168	337	2,019	17%	360
Interest on Temporary Investments	138	217	3,250	7%	92
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>
TOTAL TAXES & INTEREST	19,501	50,407	382,658	13%	57,241
OTHER FINANCING SOURCES					
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>
TOTAL OTHER FINANCE SOURCES	0	0	0		377,544
TOTAL REVENUE AND OTHER FINANCE SOURCES	19,501	50,407	382,658	13%	57,241
EXPENDITURES					
Fiscal Agent Fees	0	0	200	0%	200
Bond Interest Expense	0	0	122,350	0%	126,750
Bond Principal Payments	0	0	225,000	0%	220,000
Tax Collector Fees	296	7,684	10,739	72%	8,058
Appraisal District Fees	1,158	1,158	6,600	18%	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>
TOTAL EXPENDITURES	1,454	8,842	364,889	2%	8,058
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	18,047	41,565	17,769		49,184
					11,792

**STWA Debt Service Fund
Balance Sheet
November 30, 2018**

ASSETS

Current Assets

Debt Service Acct. - TexPool	\$	85,615.31	
Due from General		1,128.19	
Interlocal Rec.-Tax Assessors		1,712.48	
Taxes Receivable		50,811.55	
Allowance for Uncollectibles		(8,581.46)	
Total Current Assets			130,686.07

Other Assets

Total Other Assets			<u>0.00</u>
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Total Assets			<u><u>\$ 130,686.07</u></u>
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LIABILITIES AND FUNDS EQUITY

Current Liabilities

Deferred Tax Revenue	\$	42,230.09	
Due to General Fund		11,899.23	
Total Current Liabilities			54,129.32

Long-Term Liabilities

Total Long-Term Liabilities			<u>0.00</u>
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Total Liabilities			54,129.32
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Funds Equity

Fund Balance		34,991.97	
Net Income		41,564.78	
Total Funds Equity			<u>76,556.75</u>

Total Liabilities & Funds Equity			<u><u>\$ 130,686.07</u></u>
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STWA Debt Service Fund
 GI Account Summary Report
 As of: November 30, 2018

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
10400	Debt Service Acct. - TexPool	64,113.39	\$ 21,501.92	\$ 0.00	\$ 21,501.92	\$ 85,615.31
12200	Due from General	959.94	168.25	0.00	168.25	1,128.19
13001	Interlocal Rec.-Tax Assessor	0.00	1,712.48	0.00	1,712.48	1,712.48
13100	Due from Other Government	3,868.27	0.00	(3,868.27)	(3,868.27)	0.00
13300	Taxes Receivable	50,811.55	0.00	0.00	0.00	50,811.55
13301	Allowance for Uncollectibles	(8,581.46)	0.00	0.00	0.00	(8,581.46)
21700	Deferred Tax Revenue	(42,230.09)	0.00	0.00	0.00	(42,230.09)
24000	Due to General Fund	(10,431.77)	0.00	(1,467.46)	(1,467.46)	(11,899.23)
39100	Fund Balance	(34,991.97)	0.00	0.00	0.00	(34,991.97)
	Totals	<u>23,517.86</u>	<u>\$ 23,382.65</u>	<u>\$ (5,335.73)</u>	<u>\$ 18,046.92</u>	<u>\$ 41,564.78</u>

**CAPITAL PROJECTS FUND
INCOME STATEMENT
FOR PERIOD ENDING NOVEMBER 30, 2018**

16.39%

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
REVENUES						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	1,873	3,757	17,500	21%	2,332	17,300
TOTAL REVENUE AND OTHER FINANCE SOURCES	1,873	3,757	17,500	21%	2,332	17,300
 EXPENDITURES						
Right of Way Acquisition	0	0	7,264	0%	0	0
Engineering Fees	0	0	245,594	0%	3,600	5,400
Construction Costs				0%	160,919	228,484
a) 42" Line-Cathodic Protection	7,285	13,150	305,977	7%	0	0
Pipeline Condition Assessment	0	0	199,395	0%	0	0
Legal & Administrative Fees	0	0	181,712	0%	0	0
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	7,285	13,150	939,942	1%	164,519	233,884
 EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(5,412)	(9,394)	(922,442)		(162,187)	(216,584)

**CATHODIC PROTECTION
FY2019**

	Payroll	Materials	Total
October 2018	\$3,950.61	\$1,914.11	\$5,864.72 Due from Capital Projects Fund
November 2018	\$4,716.62	\$2,568.87	\$7,285.49 Due from Capital Projects Fund

**STWA Capital Projects Fund
Balance Sheet
November 30, 2018**

ASSETS

Current Assets

TexSTAR - Construction Fund	\$ 1,029,684.03	
Total Current Assets		1,029,684.03

Property and Equipment

Total Property and Equipment		0.00
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Other Assets

Total Other Assets		0.00
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Total Assets		\$ 1,029,684.03
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LIABILITIES AND FUNDS EQUITY

Current Liabilities

Due to General Fund	\$ 48,647.30	
Total Current Liabilities		48,647.30

Long-Term Liabilities

Total Long-Term Liabilities		0.00
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Total Liabilities		48,647.30
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Fund Balance

Fund Balance	990,430.19	
Net Income	(9,393.46)	
Total Fund Balance		981,036.73

Total Liabilities & Fund Balance		\$ 1,029,684.03
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STWA Capital Projects Fund
 GI Account Summary Report
 As of: November 30, 2018

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
11300	TexSTAR - Construction	1,027,810.68	\$ 1,873.35	\$ 0.00	\$ 1,873.35	\$ 1,029,684.03
2400	Due to General Fund	(41,361.81)	0.00	(7,285.49)	(7,285.49)	(48,647.30)
39100	Fund Balance	(990,430.19)	0.00	0.00	0.00	(990,430.19)
	Totals	(3,981.32)	\$ 1,873.35	\$ (7,285.49)	\$ (5,412.14)	\$ (9,393.46)

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
11/30/2018	Walker Partners	16113	TCEQ Order	pending	\$888.00
12/7/2018	City of Corpus Christi		November water usage	pending	\$107,648.79
12/10/2018	Kevin Kieschnick-NC Tax Assessor		November per parcel fees	pending	<u>\$1,364.69</u>
					\$109,901.48

Invoice



823 Washington Avenue, Suite 100
Waco, TX 76701
Phone:(254) 714-1402 / Fax:(254) 714-0402
www.walkerpartners.com
TBPE No. 8053 | TBPLS No. 10032500

RECEIVED

DEC 17 2018

SOUTH TEXAS WATER AUTHORITY

Carola Serrato
South Texas Water Authority
P. O. Box 1701
Kingsville, TX 78364

November 30, 2018
Invoice No: 0300652.00 - 16113

POSTED

Project Manager: Aaron D. Archer, P.E.

Project 0300652.00 South Texas Water Authority - TCEQ Order

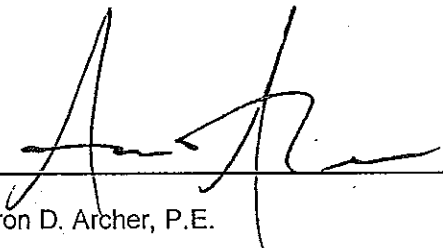
Engineering/Surveying Services through November 27, 2018

Phase 0000 Lump Sum Fee

Billing Phase	Lump Sum Fee	% Comp.	Earned	Prior Amount	Current Amount
30 Preliminary Design	29,600.00	97.00	28,712.00	27,824.00	888.00
Total Fee	29,600.00		28,712.00	27,824.00	888.00
Total					888.00
Sub-total					\$888.00
Total this Invoice					\$888.00

Billings to Date

	Current	Prior	Total	Received	A/R Balance
Lump Sum Fee	888.00	27,824.00	28,712.00		
Totals	888.00	27,824.00	28,712.00	27,824.00	888.00

Authorized By: 
Aaron D. Archer, P.E.

Date: 12/13/18



**CITY OF
CORPUS
CHRISTI**

Monthly Statement of Utility Services
City of Corpus Christi
P.O. Box 9257 • Corpus Christi, TX 78469-9257
(361) 826-CITY • www.cctexas.com

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 12/7/2018
Due Date: 12/28/2018
Page: Page 1 of 2

SERVICE INFORMATION

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Service Address: 0 END DR WTR5 RAW
Account Type: PA
Invoice Number: 1812925

QUESTIONS ABOUT YOUR BILL?

Customer Call Center
Monday - Friday:
7:00am - 6:00pm
(361) 826-CITY(2489)
WWW.CCTEXAS.COM

IMPORTANT MESSAGES

The payment address and customer account number changed for all customers in December 2017. Please use the remit to address and account number on the bottom portion of the utility bill. Include the bottom portion of the utility bill with your mailed payment. Include the account number only when making your online bill payments. Thank you.

ACCOUNT SUMMARY

PREVIOUS BALANCE	\$79,350.59
BALANCE FORWARD DUE NOW	\$79,350.59
NEW CHARGES	
WATER	\$63,867.49
RWCA \$0.974/TGAL	\$43,781.30
TOTAL WATER	\$107,648.79
NEW CHARGES DUE BY 12/28/2018:	\$107,648.79
DELINQUENT BALANCE DUE NOW	\$79,350.59
AMOUNT DUE	\$186,999.38

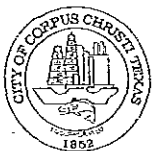
PLEASE ALLOW 5 BUSINESS DAYS BEFORE DUE DATE TO ENSURE PROPER CREDIT.

RECEIVED

DEC 13 2018

SOUTH TEXAS WATER AUTHORITY

KEEP TOP PORTION FOR YOUR RECORDS AND RETURN BOTTOM STUB WITH YOUR PAYMENT.



**CITY OF
CORPUS
CHRISTI**

P.O. Box 9257 • Corpus Christi, TX 78469-9257
(361) 826-CITY • www.cctexas.com



Service Address: 0 END DR WTR5 RAW
Cycle-Route #: 01-60

Account Number	Due Date	Amount Due
20004093	12/28/2018	\$186,999.38

AMOUNT DUE IF PAID AFTER 12/28/2018 \$196,349.35

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

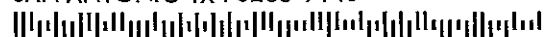
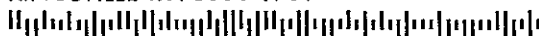
When making payment in person, please bring this stub.

Working to Serve YOU Better.



SOUTH TX WATER AUTH
P O BOX 1701
KINGSVILLE TX 78364-1701

CITY OF CORPUS CHRISTI
PO BOX 659880
SAN ANTONIO TX 78265-9143





**CITY OF
CORPUS
CHRISTI**

Monthly Statement of Utility Services
City of Corpus Christi
P.O. Box 9257 • Corpus Christi, TX 78469-9257
(361) 826-CITY • www.cdtxas.com

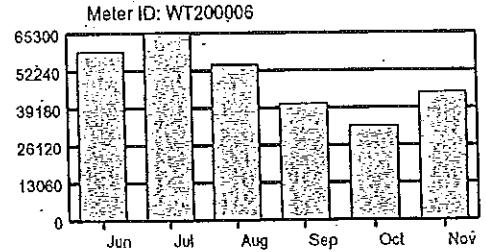
Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 12/7/2018
Due Date: 12/28/2018
Page: Page 2 of 2

METER INFORMATION

SERVICE PERIOD: 10/31/2018 - 11/30/2018 31 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 11/30/2018
WT200006	WA	4527700	4482750	44950

CONSUMPTION HISTORY



Moving or Discontinuing your Services?
To stop or change utility services, please call Customer Call Center
(361) 826-CITY (2489)

PLEASE HELP US TO SERVE YOU BETTER:

- DO NOT SEND CASH
- Sign your check or money order
- Write account number on your check
- Enclose your stub with your check
- No Staples, No Paper Clips
- Thank you for your assistance

OPTIONS AVAILABLE TO PAY YOUR BILL

- Mail payment along with stub in return envelope provided.
- Bank Draft available via Dynamic Portal at www.cdtxas.com.
- Online Payment - Register via Dynamic Portal at www.cdtxas.com available 24/7.
- By phone 24/7 with a credit or debit card at 361-826-0750.

AUTHORIZED PAY STATIONS

All local HEB locations

Please allow 3 business days before the funds ensure posted/cleared

11/20/18 10:51 AM

Nueces County Courthouse
901 Leopard, Suite 301
Corpus Christi, TX 78401



Kevin Kieschnick
Assessor and Collector of Taxes

Administration
(361) 888-0307
(361) 888-0308

December 10, 2018

South Texas Water District
C/O Jo Ella Wagner
P.O. Box 1701
Kingsville, TX 78363

POSTED

**Fees for Collection of Ad Valorem Taxes
during the month of November 2018**

Total collected parcels	1,025
Collection Fee per Parcel	<u>\$1,3314</u>
Total for NOVEMBER	<u>\$1,364.69</u>

Please Make Checks Payable To:
Nueces County Tax Assessor-Collector

For information contact:
voice
fax

Motor Vehicle
(361) 888-0459
(361) 888-0482

Property Tax
(361) 888-0230
(361) 888-0218

Voter Registration
(361) 888-0404
(361) 888-0339

ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-18	\$0.426386	\$2.3962	\$2.8226	\$0.426386	\$2.400926	\$2.827312	\$0.0047
Nov-18	\$0.426386	\$2.3978	\$2.8242	\$0.426386	\$2.394856	\$2.821242	-\$0.0029
Dec-18	\$0.426386	\$2.3977	\$2.8240	\$0.426386	\$2.397809	\$2.824195	\$0.0002
Jan-19	\$0.426386	\$2.5585	\$2.9849	\$0.426386		\$0.426386	-\$2.5585
Feb-19	\$0.426386	\$2.5602	\$2.9866	\$0.426386		\$0.426386	-\$2.5602
Mar-19	\$0.426386	\$2.5584	\$2.9848	\$0.426386		\$0.426386	-\$2.5584
Apr-19	\$0.426386	\$2.5575	\$2.9839	\$0.426386		\$0.426386	-\$2.5575
May-19	\$0.426386	\$2.5569	\$2.9833	\$0.426386		\$0.426386	-\$2.5569
Jun-19	\$0.426386	\$2.5566	\$2.9830	\$0.426386		\$0.426386	-\$2.5566
Jul-19	\$0.426386	\$2.5544	\$2.9808	\$0.426386		\$0.426386	-\$2.5544
Aug-19	\$0.426386	\$2.5545	\$2.9808	\$0.426386		\$0.426386	-\$2.5545
Sep-19	\$0.426386	\$2.5570	\$2.9833	\$0.426386		\$0.426386	-\$2.5570
Avg Cost	\$0.426386	\$2.5171	\$2.9435	\$0.426386	\$2.397864	\$2.824250	-\$0.1193

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All Customers				NWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-18	43,062,520	42,957,680	-104,840	Oct-18	12,246,024	13,422,420	1,176,396
Nov-18	39,364,677	46,914,980	7,550,303	Nov-18	11,006,676	13,454,530	2,447,854
Dec-18	39,672,886	39,489,710	-183,176	Dec-18	11,022,768	13,970,520	2,947,752
Jan-19	40,736,971	0		Jan-19	11,767,366	0	
Feb-19	37,399,151	0		Feb-19	10,542,988	0	
Mar-19	41,040,729	0		Mar-19	11,148,151	0	
Apr-19	43,086,786	0		Apr-19	11,900,837	0	
May-19	44,539,563	0		May-19	12,473,511	0	
Jun-19	45,514,314	0		Jun-19	13,090,139	0	
Jul-19	52,429,711	0		Jul-19	14,997,937	0	
Aug-19	52,198,325	0		Aug-19	14,818,303	0	
Sep-19	44,493,859	0		Sep-19	13,165,218	0	
TOTAL	523,539,495	129,362,370	7,262,286	TOTAL	148,179,918	40,847,470	6,572,002

Kingsville				RWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-18	10,465,979	11,526,000	1,060,021	Oct-18	8,686,000	7,837,000	-849,000
Nov-18	10,465,979	14,703,000	4,237,021	Nov-18	7,566,000	6,767,000	-799,000
Dec-18	10,465,979	9,990,000	-475,979	Dec-18	7,426,600	7,249,000	-177,600
Jan-19	10,465,979	0		Jan-19	7,345,000	0	
Feb-19	10,465,979	0		Feb-19	6,573,200	0	
Mar-19	10,465,979	0		Mar-19	8,123,200	0	
Apr-19	10,465,979	0		Apr-19	8,844,400	0	
May-19	10,465,979	0		May-19	9,071,600	0	
Jun-19	10,465,979	0		Jun-19	9,421,600	0	
Jul-19	10,465,979	0		Jul-19	10,670,600	0	
Aug-19	10,465,979	0		Aug-19	10,878,000	0	
Sep-19	10,465,979	0		Sep-19	8,333,800	0	
TOTAL	125,591,753	36,219,000	4,821,062	TOTAL	102,940,000	21,853,000	-1,825,600

Bishop	Budgeted	Actual	Difference
Oct-18	4,397,600	2,413,000	-1,984,600
Nov-18	3,711,000	4,497,000	786,000
Dec-18	4,234,000	330,000	-3,904,000
Jan-19	4,464,400	0	
Feb-19	3,550,000	0	
Mar-19	4,585,400	0	
Apr-19	4,559,600	0	
May-19	4,897,600	0	
Jun-19	4,629,400	0	
Jul-19	7,354,800	0	
Aug-19	7,643,200	0	
Sep-19	5,273,400	0	
TOTAL	59,300,400	7,240,000	-5,102,600

Banquete	Budgeted	Actual	Difference
Oct-18	2,263,070	1,969,000	-294,070
Nov-18	2,054,046	2,079,220	25,174
Dec-18	2,024,012	2,301,060	277,048
Jan-19	2,028,542	0	
Feb-19	1,932,604	0	
Mar-19	1,964,422	0	
Apr-19	2,101,106	0	
May-19	2,222,884	0	
Jun-19	2,274,290	0	
Jul-19	2,533,618	0	
Aug-19	2,501,660	0	
Sep-19	2,139,458	0	
TOTAL	26,039,712	6,349,280	8,152

Driscoll	Budgeted	Actual	Difference
Oct-18	2,674,051	3,930,000	1,255,949
Nov-18	2,604,305	3,666,400	1,062,095
Dec-18	2,527,969	3,524,700	996,731
Jan-19	2,753,560	0	
Feb-19	2,533,000	0	
Mar-19	2,802,440	0	
Apr-19	2,893,740	0	
May-19	3,100,100	0	
Jun-19	3,149,760	0	
Jul-19	3,656,300	0	
Aug-19	3,340,813	0	
Sep-19	2,935,040	0	
TOTAL	34,971,079	11,121,100	3,314,775

Agua Dulce	Budgeted	Actual	Difference
Oct-18	2,329,796	1,860,260	-469,536
Nov-18	1,956,670	1,747,830	-208,840
Dec-18	1,971,558	2,124,430	152,872
Jan-19	1,912,124	0	
Feb-19	1,801,380	0	
Mar-19	1,951,137	0	
Apr-19	2,321,124	0	
May-19	2,307,888	0	
Jun-19	2,483,146	0	
Jul-19	2,750,476	0	
Aug-19	2,550,370	0	
Sep-19	2,180,964	0	
TOTAL	26,516,633	5,732,520	-525,504

Kingsville Actual Usage vs. Bell Chart Volume

	Target Volume	Actual Volume	Difference
Oct-18	12,451,513	11,526,000	-925,513
Nov-18	7,362,963	14,703,000	7,340,037
Dec-18	5,893,607	9,990,000	4,096,393
Jan-19	4,650,000	0	
Feb-19	6,760,471	0	
Mar-19	8,319,028	0	
Apr-19	10,906,161	0	
May-19	12,497,858	0	
Jun-19	14,240,055	0	
Jul-19	15,711,155	0	
Aug-19	15,911,986	0	
Sep-19	13,866,300	0	
TOTAL	128,571,097	36,219,000	10,510,917

Net Revenue per Thousand (1,000) Gallons

Kingsville				NWSC			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-18	11,526,000	\$3,791.66	\$0.3290	Oct-18	13,422,420	\$4,137.05	\$0.3082
Nov-18	14,703,000	\$5,193.06	\$0.3532	Nov-18	13,454,530	\$4,730.43	\$0.3516
Dec-18	9,990,000	\$0.00	\$0.0000	Dec-18	13,970,520	\$0.00	\$0.0000
Jan-19	0	\$0.00	#DIV/0!	Jan-19	0	\$0.00	#DIV/0!
Feb-19	0	\$0.00	#DIV/0!	Feb-19	0	\$0.00	#DIV/0!
Mar-19	0	\$0.00	#DIV/0!	Mar-19	0	\$0.00	#DIV/0!
Apr-19	0	\$0.00	#DIV/0!	Apr-19	0	\$0.00	#DIV/0!
May-19	0	\$0.00	#DIV/0!	May-19	0	\$0.00	#DIV/0!
Jun-19	0	\$0.00	#DIV/0!	Jun-19	0	\$0.00	#DIV/0!
Jul-19	0	\$0.00	#DIV/0!	Jul-19	0	\$0.00	#DIV/0!
Aug-19	0	\$0.00	#DIV/0!	Aug-19	0	\$0.00	#DIV/0!
Sep-19	0	\$0.00	#DIV/0!	Sep-19	0	\$0.00	#DIV/0!
TOTAL	36,219,000	\$8,984.72	\$0.2481	TOTAL	40,847,470	\$8,867.48	\$0.2171
Bishop				RWSC			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-18	2,413,000	\$126.37	\$0.0524	Oct-18	7,837,000	\$1,859.35	\$0.2373
Nov-18	4,497,000	\$943.99	\$0.2099	Nov-18	6,767,000	\$1,385.55	\$0.2048
Dec-18	330,000	\$0.00	\$0.0000	Dec-18	7,249,000	\$0.00	\$0.0000
Jan-19	0	\$0.00	#DIV/0!	Jan-19	0	\$0.00	#DIV/0!
Feb-19	0	\$0.00	#DIV/0!	Feb-19	0	\$0.00	#DIV/0!
Mar-19	0	\$0.00	#DIV/0!	Mar-19	0	\$0.00	#DIV/0!
Apr-19	0	\$0.00	#DIV/0!	Apr-19	0	\$0.00	#DIV/0!
May-19	0	\$0.00	#DIV/0!	May-19	0	\$0.00	#DIV/0!
Jun-19	0	\$0.00	#DIV/0!	Jun-19	0	\$0.00	#DIV/0!
Jul-19	0	\$0.00	#DIV/0!	Jul-19	0	\$0.00	#DIV/0!
Aug-19	0	\$0.00	#DIV/0!	Aug-19	0	\$0.00	#DIV/0!
Sep-19	0	\$0.00	#DIV/0!	Sep-19	0	\$0.00	#DIV/0!
TOTAL	7,240,000	\$1,070.36	\$0.1478	TOTAL	21,853,000	\$3,244.90	\$0.1485
Driscoll				Banquete			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-18	3,930,000	\$1,106.55	\$0.2816	Oct-18	1,969,000	\$421.76	\$0.2142
Nov-18	3,666,400	\$610.67	\$0.1666	Nov-18	2,079,220	\$598.23	\$0.2877
Dec-18	3,524,700	\$0.00	\$0.0000	Dec-18	2,301,060	\$0.00	\$0.0000
Jan-19	0	\$0.00	#DIV/0!	Jan-19	0	\$0.00	#DIV/0!
Feb-19	0	\$0.00	#DIV/0!	Feb-19	0	\$0.00	#DIV/0!
Mar-19	0	\$0.00	#DIV/0!	Mar-19	0	\$0.00	#DIV/0!
Apr-19	0	\$0.00	#DIV/0!	Apr-19	0	\$0.00	#DIV/0!
May-19	0	\$0.00	#DIV/0!	May-19	0	\$0.00	#DIV/0!
Jun-19	0	\$0.00	#DIV/0!	Jun-19	0	\$0.00	#DIV/0!
Jul-19	0	\$0.00	#DIV/0!	Jul-19	0	\$0.00	#DIV/0!
Aug-19	0	\$0.00	#DIV/0!	Aug-19	0	\$0.00	#DIV/0!
Sep-19	0	\$0.00	#DIV/0!	Sep-19	0	\$0.00	#DIV/0!
TOTAL	11,121,100	\$1,717.22	\$0.1544	TOTAL	6,349,280	\$1,019.99	\$0.1606
Agua Dulce				All Customers			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-18	1,860,260	\$394.24	\$0.2119	Oct-18	42,957,680	\$11,836.98	\$0.2755
Nov-18	1,747,830	\$520.93	\$0.2980	Nov-18	46,914,980	\$13,982.86	\$0.2980
Dec-18	2,124,430	\$0.00	\$0.0000	Dec-18	39,489,710	\$0.00	\$0.0000
Jan-19	0	\$0.00	#DIV/0!	Jan-19	0	\$0.00	#DIV/0!
Feb-19	0	\$0.00	#DIV/0!	Feb-19	0	\$0.00	#DIV/0!
Mar-19	0	\$0.00	#DIV/0!	Mar-19	0	\$0.00	#DIV/0!
Apr-19	0	\$0.00	#DIV/0!	Apr-19	0	\$0.00	#DIV/0!
May-19	0	\$0.00	#DIV/0!	May-19	0	\$0.00	#DIV/0!
Jun-19	0	\$0.00	#DIV/0!	Jun-19	0	\$0.00	#DIV/0!
Jul-19	0	\$0.00	#DIV/0!	Jul-19	0	\$0.00	#DIV/0!
Aug-19	0	\$0.00	#DIV/0!	Aug-19	0	\$0.00	#DIV/0!
Sep-19	0	\$0.00	#DIV/0!	Sep-19	0	\$0.00	#DIV/0!
TOTAL	5,732,520	\$915.17	\$0.1596	TOTAL	129,362,370	\$25,819.84	\$0.1996