

MEMORANDUM

TO: South Texas Water Authority Board of Directors  
FROM: Kathleen Lowman, President  
DATE: February 19, 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, February 26, 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. Approval of Minutes. (Attachment 1)
4. Treasurer's Report/Payment of Bills. (Attachment 2)
5. Tax Increment Reinvestment Zone 1 – Historic Downtown Kingsville, Texas (Attachment 3)
6. Update on TCEQ Enforcement Action and State Office of Administrative Hearings. (Attachment 4)
7. Water Supply Contract with the City of Bishop. (Attachment 5)
8. License Agreement with City of Bishop for Pump Station Facilities. (Attachment 6)
9. Purchase of real property at site of City of Bishop Pump Station Facilities. (Attachment 7)
10. Water Supply Contract with City of Driscoll. (Attachment 8)

11. Interlocal Participation Agreement for the GoodBuy Purchasing Cooperative. (Attachment 9)
12. **Resolution 19-04.** Shared Service Arrangement for Participation in the GoodBuy Purchasing Cooperative. (Attachment 10)
13. Bids for the purchase of one trailer for hauling trackhoe/excavator. (Attachment 11)
14. **Resolution 19-05.** Resolution awarding the bid for the purchase of one trailer for hauling trackhoe/excavator. (Attachment 12)
15. Bids for the purchase of one truck for hauling trackhoe/excavator. (Attachment 13)
16. **Resolution 19-06.** Resolution awarding the bid for the purchase of one haul truck. (Attachment 14)
17. Bids for construction of equipment barn. (Attachment 15)
18. **Resolution 19-07.** Resolution awarding the bid for construction of an equipment barn. (Attachment 16)
19. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Ryan M. Esquivel and Tabitha F. Esquivel – The north east half of Tract 14, the south west half of Tract 14, all of Tract 15, all of Tract 16 and the north east half of Tract 17 of Cyndie Park Unit 2, Nueces County, Texas). (Attachment 17)
20. **Resolution 19-08.** Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Attachment 18)
21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Roland Gonzalez –Tract Forty-Four (44), Cyndie Park Unit 2, Nueces County, Texas and the adjoining one-half of Tract Forty-Three (43), Cyndie Part Unit 2, Nueces County, Texas). (Attachment 19)
22. **Resolution 19-09.** Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Attachment 20)
23. Chloramine Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline. (Attachment 21)
24. **Resolution 19-10.** A resolution honoring Con Mims, Nueces River Authority Executive Director, for his service in the protection and development of water resources for the Coastal Bend and the State of Texas. (Attachment 22)

25. Interlocal Agreement between Harris County Department of Education and South Texas Water Authority for Choice Partners Cooperative. (Attachment 23)
26. Petition for Addition of Certain Lands to the South Texas Water Authority (Patricios Riojas, III and Angel Gonzales Riojas –Tract One (1), Cyndie Park Unit 2, Nueces County, Texas). (Attachment 24)
27. **Resolution 19-11.** Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Attachment 25)
28. 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  
Attachment

This meeting notice was posted on STWA's website, [www.stwa.org](http://www.stwa.org), and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 2:30 am on February 22, 2019.

*Francis De Leon*  
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY  
Special Board of Directors Meeting  
January 8, 2019  
Minutes

Board Members Present:

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

Board Members Absent:

None

Staff Present:

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

Guests Present:

Tem Miller – Mayor, City of Bishop  
Cynthia Contreras – City of Bishop  
City Commissioner Bill Boswell,  
Janie Dominguez, Nathan Garza and  
Albert Guajardo  
Panfilo Flores  
Alexa Rodriguez  
John West

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Special Meeting of the STWA Board of Directors to order at 5:30 p.m. A quorum was present. The meeting was scheduled as a joint meeting with the Bishop City Council.

2. Citizen Comments.

Ms. Lowman opened the floor to citizen's comments. Mr. John West asked the Bishop City Commission about information he requested and was informed by Ms. Contreras that the information was being researched by the City's attorney.

3. Swearing in of Kleberg County Appointee to replace Chuck Schultz.

Ms. Wagner administered the Oath of Office to Mr. Brandon Barrera who was appointed to Place 3 on the Board to replace Mr. Chuck Schultz by the Kleberg County Commissioner's Court.

4. License Agreement with City of Bishop for Pump Station Facilities.
5. Wholesale Water Supply Contract with the City of Bishop.

Ms. Serrato distributed a revised license agreement that was received at about 3:00 p.m. that same afternoon from the City of Bishop. She stated that she and legal counsel Bill Flickinger reviewed the document and outlined three areas of concern. She said that the document now includes an area for an initial payment and ongoing fees to be paid by STWA to the City. She added that in reference to STWA providing access to the tank, STWA cannot provide permission on behalf of Nueces Water Supply Corporation. In addition, terms such as "substantial portion" and "subsurface object" need to be further clarified. Mr. Vaughn made a motion to table the license agreement until Mr. Flickinger further reviews the document. Mr. Treviño seconded and all voted in favor.


Ms. Lowman asked if the license agreement would be used in lieu of purchasing the property. Ms. Serrato responded that purchase of the property is preferred and she has started doing research on the history of the property deed and discovered that subsequent deeds removed previous restrictions. Cynthia Contreras, Bishop City Secretary, asked if a three-party agreement between Bishop, STWA and NWSC would be easiest and Ms. Serrato responded that her understanding was that Bishop was not interested in a three-party agreement.

Commissioner Boswell stated that the City requested this meeting in hopes of working something out without having to go through attorneys. Commissioner Guajardo pointed out that the Incremental Charge appears to be a tactic to force the City to sign a contract. Ms. Serrato responded that she has emails dating to 2016 requesting meetings to discuss the water supply contract and noted that the City's attorney, Gerald Benadum, has failed to respond to STWA's requests repeatedly for a long time. Mayor Miller stated that he is not in favor of purchasing water on a weekly basis; otherwise, he would agree to sign the contract. Ms. Serrato asked if there was something between weekly and quarterly that was agreeable. She explained that the City of Kingsville purchases water based on a bell-shaped curve purchasing more water during warmer months and that there is no penalty if they do not take water. Commissioner Boswell asked if a refund of the Incremental Charge is possible if a contract is finalized. Ms. Serrato said she has discussed the matter with STWA's attorney and although a refund cannot be issued, there are other options that can be discussed. Several STWA Board members stated they would not be in favor of setting a precedent by refunding the fees. She gave a history of the Incremental Charge and explained that it was implemented to cover risk incurred by STWA for having customers without contracts. After reviewing records, Ms. Wagner reported that in the past twelve months, the City of Bishop has paid \$23,234.39 in Incremental Charges. Regarding the charge in the license agreement, the City representatives said they would be interested in charging STWA an amount sufficient to recoup the Incremental Charge without creating issues with STWA's other wholesale customers. There was discussion regarding payment of the initial fees over a five-year period. Both the City and Board agreed to a monthly water purchase being used in the next draft. Ms. Serrato said these changes would be forwarded to Mr. Flickinger and presented to the Board for formal discussion.

6. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:33 p.m.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
January 22, 2019  
Minutes

Board Members Present:

Kathleen Lowman  
Dr. Albert Ruiz  
Rudy Galvan  
Brandon Barrera  
Lupita Perez  
Patsy Rodgers  
Filiberto Treviño

Board Members Absent:

Steven Vaughn

Staff Present:

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

Guests Present:

Luke Womack, John Womack &  
Co., P.C.  
Debby Womack, John Womack &  
Co., P.C.

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:31 p.m. A quorum was present.

2. Citizen Comments.

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

3. Proposed Fiscal Year 2018 Audit.

Mr. Luke Womack, John Womack & Co., P.C., reviewed the Fiscal Year 2018 Audit with the Board and reported that all records were in order and the Authority's financial position remains very stable. He added that there was nothing negative to report.

4. Resolution 19-01. Resolution accepting the Fiscal Year 2018 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas.

Dr. Ruiz made a motion to approve Resolution 19-01. Mr. Galvan seconded the motion. All voted in favor.

*The order of the agenda was changed to accommodate Dr. Ruiz who needed to leave the meeting early.*



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).

Ms. Serrato explained that Ryan M. Esquivel and Tabitha F. Esquivel approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of a project to extend water service to the Cyndie Park area. As in the past, the process has been for the property owner to request annexation into the district. In this manner, all of NWSC's retail customers are paying the same rates including being taxed by STWA. NWSC does not have out of district rates.

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).

Mr. Treviño made a motion to adopt Resolution 19-03. Mr. Galvan seconded and all voted in favor. (Please note: This is the incorrect resolution. The corrected resolution will be presented at the February 26, 2019 meeting.)

13. Bids for the purchase of one trackhoe/excavator.

Ms. Serrato stated that as instructed by the Board, Cathodic Protection Technician Armando Yruegas field tested the four trackhoe models that were bid with trade-in allowances. She presented a recommendation from Mr. Yruegas to award the bid to Bobcat Company in the amount of \$84,589.52 less \$13,000 for trade in of STWA's current trackhoe.

14. Resolution 19-02. Resolution awarding the bid for the purchase of one trackhoe/excavator.

Ms. Rodgers made a motion to award the bid for the purchase of one trackhoe/excavator to Bobcat company in the amount of \$84,589.52 less \$13,000 for trade in of STWA's current trackhoe. The motion was seconded by Ms. Perez and passed unanimously.

15. Trailer for hauling trackhoe/excavator.
16. Truck for hauling heavy equipment.

Ms. Serrato stated that Mr. Yruegas researched haul trucks and trailers and discovered that the current 10,000-lb. dual axle trailer has an inadequate capacity rating for hauling the needed equipment. Based on the anticipated weight of a new haul truck and new excavator, Mr. Yruegas recommends purchase of a 15,000-lb. dual axle trailer costing between \$17,500 and \$20,500.

Mr. Yruegas also found that Ford and Dodge have diesel engine trucks similar in size to the current haul truck that will accommodate a new excavator with a properly sized trailer. He suggests requesting bids through BuyBoard or going out for bids. Mr. Galvan made a motion to solicit bids for a trailer and a truck. Mr. Treviño seconded the motion and all voted in favor.

6. Approval of Minutes.

Mr. Barrera requested that his name be corrected from Herrera to Barrera on the December 4, 2018 minutes. Mr. Treviño made a motion to approve the minutes of the December 4, 2018 Regular Meeting with the recommended change. Mr. Galvan seconded. The motion passed by unanimous vote.

9. Water Supply Contract with the City of Bishop.

Ms. Serrato stated that Mr. Vaughn contacted her after the January 8<sup>th</sup> meeting to clarify that he did not want to give the impression that he was completely in favor of refunding the Incremental Increase to the City of Bishop and rewarding them for bad behavior. She added that legal counsel Bill Flickinger stresses that the License Agreement needs to be signed prior to or at the same time as the Water Supply Contract. She noted that the only difference in the most recent version of the contract is the purchase being changed from weekly to monthly. She added that the Board has the option of approving the contract contingent on the City executing the License Agreement. Mr. Galvan made a motion to accept the Water Supply Contract contingent upon prior or simultaneous execution of the License Agreement by the City of Bishop. Mr. Barrera seconded. All voted in favor.

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

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

The Board discussed the City of Bishop's request to consider a refund of the Incremental charges as part of the License Agreement, but Mr. Treviño pointed out that refunding the \$24,000 of Incremental charges to Bishop could set precedent with other customers. Ms. Serrato noted that the License Agreement could provide time to work on purchase of the property. Mr. Barrera made a motion, seconded by Mr. Galvan, to approve the License Agreement with addition of a clause providing for the City to work with STWA in good faith towards purchase of the Bishop East Pump Station property. All voted in favor.

12. Water Supply Contract with the City of Driscoll.

Ms. Serrato reported that Mark Gonzalez who was serving as a Driscoll Councilman was elected mayor. An election will be held to fill the vacancy for his former position but the date is unknown at this time. She had nothing else to report.

5. Tax Increment Reinvestment Zone 1 – Historic Downtown Kingsville, Texas

Ms. Serrato reported that the City of Kingsville has created a Tax Increment Reinvestment Zone (TIRZ). She reviewed information provided by the City during a meeting with the City's Planning Director, City Manager and Downtown Manager. She also provided general information from the Texas Comptroller's website. The area established by the City includes about 27 blocks and the City's report estimates that slightly less than \$9,600 would be collected from STWA-TIRZ taxes over a 30-year period. The main benefit is that the TIRZ can stimulate improvement and create an overall increase to the tax base. Ms. Serrato said she is waiting for a response from the Planning Director on how the taxes will be collected. She added that the

school district has not yet made a decision on participation. The Board also asked whether Kleberg County would be participating in the TIRZ. Ms. Perez made a motion to table this item. Ms. Rodgers seconded. All voted in favor.

7. Quarterly Report/Treasurer's Report/Payment of Bills.

Ms. Wagner distributed the Quarterly Report and December 2018 Treasurer's Report which were not included in the agenda packet. The following reports were presented for the Board's consideration:

Treasurer's Report for period ending November 30, 2018  
Revenue Fund Income Statement for period ending November 30, 2018  
Tax Fund Income Statement for period ending November 30, 2018  
Special Services Income Statement for period ending November 30, 2018  
STWA Revenue Fund Balance Sheet – November 30, 2018  
STWA Revenue Fund GL Account Summary Report as of November 30, 2018  
STWA Debt Service Fund Income Statement for period ending November 30, 2018  
STWA Debt Service Fund Balance Sheet November 30, 2018  
STWA Debt Service Fund GL Account Summary Report as of November 30, 2018  
STWA Capital Projects Fund Income Statement for period ending November 30, 2018  
Catholic Protection Expenses for October and November 2018  
STWA Capital Projects Fund Balance Sheet – November 30, 2018  
STWA Capital Projects Fund GL Account Summary Report as of November 30, 2018  
Anticipated vs. Actual Water Rate Charged  
STWA Investment Report for Quarter ended December 2018  
Treasurer's Report for period ending December 31, 2018  
Revenue Fund Income Statement for period ending December 31, 2018  
Tax Fund Income Statement for period ending December 31, 2018  
Special Services Income Statement for period ending December 31, 2018  
STWA Revenue Fund Balance Sheet – December 31, 2018  
STWA Revenue Fund GL Account Summary Report as of December 31, 2018  
STWA Debt Service Fund Income Statement for period ending December 31, 2018  
STWA Debt Service Fund Balance Sheet December 31, 2018  
STWA Debt Service Fund GL Account Summary Report as of December 31, 2018  
STWA Capital Projects Fund Income Statement for period ending December 31, 2018  
Catholic Protection Expenses  
STWA Capital Projects Fund Balance Sheet – December 31, 2018  
STWA Capital Projects Fund GL Account Summary Report as of December 31, 2018

The following outstanding invoices were presented for Board approval:

|  |               |
|--|---------------|
| • Walker Partners                        | \$ 888.00     |
| • City of Corpus Christi                 | \$ 107,648.79 |
| • Kevin Kieschnick-NC Tax Assessor       | \$ 1,364.69   |
| • Walker Partners                        | \$ 888.00     |
| • Willatt & Flickinger, Attorneys at Law | \$ 720.20     |

- City of Corpus Christi \$ 91,716.19

A motion was made by Mr. Treviño to approve the Quarterly Report, Treasurer's Reports and payment of the bills as presented. Mr. Barrera seconded. The motion carried.


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

Ms. Serrato stated that no response has been received from TCEQ regarding submittal of the last quarterly report on November 26, 2018.

19. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:55 p.m.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

**SOUTH TEXAS WATER AUTHORITY**  
**Treasurer's Report**  
**For Period Ending January 31, 2019**

**STWA Water Sales:**

| <u>Entity</u> | <u>Water Usage (1,000 g)</u> | <u>Cost of Water from City of Corpus Christi \$2.563857 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    | 5,949                        | \$15,252.39  | \$2,536.57                                | \$0.00   | \$0.00  | \$17,788.96         |
| Bishop        | 11                           | \$28.20  | \$4.69                                    | \$4.69   | \$0.00  | \$37.58             |
| Agua Dulce    | 2,029                        | \$5,200.84   | \$864.93                                  | \$0.00   | \$0.00  | \$6,065.77          |
| RWSC          | 8,378                        | \$21,479.99  | \$3,572.26                                | \$0.00   | \$0.00  | \$25,052.26         |
| Driscoll      | 3,617                        | \$9,273.73   | \$1,542.28                                | \$1,542.28                                     | \$0.00  | \$12,358.29         |
| NCWCID #5     | 1,920                        | \$4,921.94   | \$818.55                                  | \$818.55                                       | \$776.49  | \$7,335.53          |
| NWSC          | 13,132                       | \$33,668.49  | \$5,599.29                                | \$0.00   | \$0.00  | \$39,267.78         |
| <b>TOTAL</b>  | <b>35,035</b>                | <b>\$89,825.58</b>   | <b>\$14,938.57</b>                        | <b>\$2,365.52</b>                              | <b>\$776.49</b>                                       | <b>\$107,906.16</b> |

**Water Cost and Usage for Period of:**

|  | <b>12/31/18</b> | <b>to</b> | <b>01/31/19</b> |
|--|-----------------|-----------|-----------------|
| City of Corpus Christi Invoice for Cost of Water Purchased:      |                 |           | \$81,402.45     |
| Gallons of Water Recorded by City of Corpus Christi:             |                 |           | 31,750,000      |
| Gallons of Water Recorded by STWA from Customer's Master Meters: |                 |           | 35,035,330      |
| Water Loss Percentage:   |                 |           | -10.35%         |

**Annual Usage for FY 2019**

|  | <b>Annual</b> |
|--|---------------|
| Gallons of Water Recorded by City of Corpus Christi:             | 148,000,000   |
| Gallons of Water Recorded by STWA from Customer's Master Meters: | 164,398,100   |
| Water Loss Percentage: (year to date)                            | -11.08%       |

**REVENUE FUND  
INCOME STATEMENT  
FOR PERIOD ENDING JANUARY 31, 2019**

**33.33%**

|                                      | MONTHLY        | YEAR TO DATE   | 2019 ADOPTED BUDGET | % OF 2019 ADOPTED BUDGET | 2018 YEAR TO DATE | 2018 FINAL BUDGET |
|--------------------------------------|----------------|----------------|---------------------|--------------------------|-------------------|-------------------|
| <b>REVENUES</b>                      |                |                |                     |                          |                   |                   |
| Water Service Revenue                | 89,826         | 400,008        | 1,366,000           | 29%                      | 395,125           | 1,330,515         |
| Handling Charge Revenue              | 14,939         | 70,097         | 221,255             | 32%                      | 71,932            | 238,500           |
| Premium Incremental Increase         | 2,366          | 12,902         | 20,000              | 65%                      | 8,867             | 46,600            |
| Surcharge - Out of District          | 608            | 2,433          | 7,299               | 33%                      | 2,206             | 6,619             |
| Interest Income                      | 4,979          | 17,106         | 37,000              | 46%                      | 7,034             | 33,000            |
| Other Revenue                        |                |                |                     |                          |                   |                   |
| Operating & Maintenance Fees         | 0              | 0              | 0                   | 0%                       | 0                 | 0                 |
| Miscellaneous Revenues               | 1,133          | 4,476          | 5,000               | 90%                      | 1,155             | 29,350            |
| <b>TOTAL REVENUES</b>                | <b>113,849</b> | <b>507,022</b> | <b>1,656,554</b>    | <b>31%</b>               | <b>486,319</b>    | <b>1,684,584</b>  |
| <b>EXPENDITURES</b>                  |                |                |                     |                          |                   |                   |
| <b>Water Service Expenditures:</b>   |                |                |                     |                          |                   |                   |
| Bulk Water Purchases                 | 81,402         | 360,118        | 1,366,000           | 26%                      | 377,098           | 1,330,515         |
| <b>Payroll Costs</b>                 |                |                |                     |                          |                   |                   |
| Salaries & Wages - Perm. Employees   | 19,929         | 110,162        | 329,340             | 33%                      | 101,126           | 317,342           |
| Salaries & Wages - Part-Time         | 105            | 372            | 1,677               | 22%                      | 446               | 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                      | 1,405          | 6,149          | 21,000              | 29%                      | 6,531             | 19,300            |
| Stand-by Pay - STWA                  | 100            | 400            | 1,300               | 31%                      | 400               | 1,300             |
| Employee Retirement Premiums         | 2,676          | 16,309         | 44,959              | 36%                      | 15,448            | 52,561            |
| Group Insurance Premium              | 13,772         | 54,858         | 169,292             | 32%                      | 52,235            | 162,178           |
| Unemployment Compensation            | 22             | 45             | 1,034               | 4%                       | 489               | 1,300             |
| Workers' Compensation                | (877)          | 7,894          | 6,841               | 115%                     | 7,719             | 6,004             |
| Car Allowance                        | 500            | 2,000          | 6,000               | 33%                      | 1,900             | 5,900             |
| Hospital Insurance Tax               | 122            | 1,020          | 3,817               | 27%                      | 967               | 3,728             |
| <b>Supplies &amp; Materials</b>      |                |                |                     |                          |                   |                   |
| Repairs & Maintenance                | 17,331         | 28,324         | 80,000              | 35%                      | 21,573            | 120,000           |
| Meter Expense                        | 0              | 2,350          | 5,000               | 47%                      | 3,375             | 12,525            |
| Tank Repairs                         | 0              | 0              | 25,000              | 0%                       | 4,300             | 26,140            |
| Major Repairs                        | 0              | 0              | 25,000              | 0%                       | 0                 | 25,000            |
| <b>Other Operating Expenditures:</b> |                |                |                     |                          |                   |                   |
| <b>Professional Fees</b>             |                |                |                     |                          |                   |                   |
| Legal                                | 2,563          | 8,263          | 30,000              | 28%                      | 3,493             | 11,500            |
| Auditing                             | 550            | 9,503          | 9,750               | 97%                      | 9,369             | 9,370             |
| Engineering                          | 0              | 2,368          | 12,500              | 19%                      | 46,646            | 70,000            |
| Management & Consulting              | 0              | 1,085          | 7,500               | 14%                      | 278               | 3,500             |
| Inspection                           | 1,900          | 1,900          | 4,000               | 48%                      | 2,725             | 2,725             |
| Leak Detection                       | 0              | 0              | 0                   | 0%                       | 55,440            | 55,440            |
| Banquete Overhead Tank Demolition    | 0              | 0              | 30,000              | 0%                       | 0                 | 0                 |
| <b>Consum Supplies/Materials</b>     |                |                |                     |                          |                   |                   |
| Postage                              | 2,241          | 4,581          | 6,500               | 70%                      | 288               | 6,500             |
| Printing/Office Supplies             | 5,180          | 6,557          | 27,500              | 24%                      | 12,279            | 26,500            |
| Janitorial/Site Maintenance          | 198            | 1,154          | 6,000               | 19%                      | 2,043             | 6,000             |
| Fuel/Lubricants/Repairs              | 2,809          | 19,510         | 34,000              | 57%                      | 9,132             | 35,000            |
| Chemicals/Water Samples              | 477            | 10,892         | 52,500              | 21%                      | 16,899            | 58,000            |
| Safety Equipment                     | 0              | 1,481          | 1,500               | 99%                      | 0                 | 1,500             |
| Small Tools                          | 221            | 494            | 2,000               | 25%                      | 761               | 2,500             |

|  | MONTHLY          | YEAR TO DATE     | 2019 ADOPTED BUDGET | % OF 2019 ADOPTED BUDGET | 2018 YEAR TO DATE | 2018 FINAL BUDGET  |
|--|------------------|------------------|---------------------|--------------------------|-------------------|--------------------|
| <b>Recurring Operating Costs</b>                                   |                  |                  |                     |                          |                   |                    |
| Telephone/Communications   | 1,632            | 6,665            | 20,654              | 32%                      | 6,958             | 23,500             |
| Utilities  | 8,443            | 23,768           | 112,500             | 21%                      | 27,599            | 97,600             |
| D & O Liability Insurance  | 50               | 1,214            | 3,500               | 35%                      | 1,164             | 2,000              |
| Property Insurance   | 0                | 47,292           | 30,000              | 158%                     | 33,247            | 29,500             |
| General Liability  | 727              | 1,919            | 2,750               | 70%                      | 1,247             | 2,750              |
| Auto Insurance   | 0                | 2,219            | 2,050               | 108%                     | 2,050             | 2,051              |
| Travel/Training/Meetings   | 448              | 1,068            | 10,000              | 11%                      | 2,013             | 9,000              |
| Rental-Equipment/Uniforms  | 400              | 856              | 5,000               | 17%                      | 714               | 5,000              |
| Dues/Subscriptions/Publication                                     | 2,196            | 5,667            | 15,000              | 38%                      | 2,376             | 12,500             |
| Pass Through Cost  | 0                | 1                | 600                 | 0%                       | 185               | 800                |
| Educational Materials  | 0                | 0                | 0                   | 0%                       | 0                 | 0                  |
| <b>Miscellaneous</b>   |                  |                  |                     |                          |                   |                    |
| Miscellaneous Expenditures   | 910              | 3,156            | 7,500               | 42%                      | 2,508             | 6,200              |
| <b>Total Administrative &amp; Operations Exp.</b>                  | <b>167,431</b>   | <b>751,614</b>   | <b>2,519,564</b>    | <b>30%</b>               | <b>833,021</b>    | <b>2,564,604</b>   |
| <b>Capital Outlay</b>  |                  |                  |                     |                          |                   |                    |
| Capital Acquisition  | 50,950           | 95,417           | 240,400             | 40%                      | 36,226            | 88,760             |
| Engineering  | 0                | 0                | 0                   | 0%                       | 0                 | 11,625             |
| <b>TOTAL EXPENDITURES (w/o D.S. exp.)</b>                          | <b>218,381</b>   | <b>847,031</b>   | <b>2,759,964</b>    | <b>31%</b>               | <b>869,247</b>    | <b>2,664,989</b>   |
| <b>Excess (Deficiencies) of Revenue Over Expenditures</b>          | <b>(104,531)</b> | <b>(340,009)</b> | <b>(1,103,410)</b>  | <b>31%</b>               | <b>(382,928)</b>  | <b>(980,405)</b>   |
| <b>OTHER FINANCE SOURCE (USES)</b>                                 |                  |                  |                     |                          |                   |                    |
| <b>Transfer to Other Funds</b>                                     |                  |                  |                     |                          |                   |                    |
| Transfer from Tax Account  | (424,533)        | (424,533)        | (1,238,343)         | 34%                      | (804,228)         | (1,086,140)        |
| Extra Ordinary Income  | 0                | 0                | 0                   | 0%                       | 0                 | (24,257)           |
| Disposition of Assets (Surplus Sale)                               | 0                | 0                | (1,500)             | 0%                       | 0                 | 0                  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                        | <b>(424,533)</b> | <b>(424,533)</b> | <b>(1,239,843)</b>  | <b>34%</b>               | <b>(804,228)</b>  | <b>(1,110,397)</b> |
| <b>EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)</b> | <b>320,002</b>   | <b>84,524</b>    | <b>136,433</b>      |                          | <b>421,300</b>    | <b>129,992</b>     |
| <b>NET INCOME</b>  | <b>320,002</b>   | <b>84,524</b>    | <b>136,433</b>      |                          | <b>421,300</b>    | <b>129,992</b>     |



**TAX FUND  
INCOME STATEMENT  
FOR PERIOD ENDING JANUARY 31, 2019**

33.33%

|  | MONTHLY        | YEAR TO<br>DATE | 2019<br>ADOPTED<br>BUDGET | % OF 2019<br>ADOPTED<br>BUDGET | 2018<br>YEAR TO<br>DATE | 2018<br>FINAL<br>BUDGET |
|--|----------------|-----------------|---------------------------|--------------------------------|-------------------------|-------------------------|
| <b>REVENUES</b>  |                |                 |                           |                                |                         |                         |
| Ad-Valorem - Current   | 481,567        | 925,542         | 1,257,158                 | 65%                            | 819,922                 | 1,083,000               |
| Delinquent Tax Revenue   | 2,200          | 12,084          | 27,500                    | 54%                            | 14,730                  | 38,000                  |
| Penalty & Interest - Tax Accounts  | 2,043          | 6,119           | 16,000                    | 33%                            | 5,239                   | 22,600                  |
| Miscellaneous  | 0              | 94              | 0                         | 0%                             | 0                       | 0                       |
| <b>TOTAL TAXES &amp; INTEREST</b>  | <b>485,811</b> | <b>943,839</b>  | <b>1,300,658</b>          | <b>65%</b>                     | <b>839,891</b>          | <b>1,143,600</b>        |
| <b>EXPENDITURES</b>  |                |                 |                           |                                |                         |                         |
| Tax Collector Fees   | 14,651         | 42,430          | 38,597                    | 79%                            | 30,579                  | 36,575                  |
| Appraisal Districts  | 0              | 5,717           | 23,718                    | 21%                            | 5,084                   | 20,885                  |
| <b>TOTAL EXPENDITURES</b>  | <b>14,651</b>  | <b>48,147</b>   | <b>62,315</b>             | <b>57%</b>                     | <b>35,663</b>           | <b>57,460</b>           |
| <br>Transfer to General Fund   | <br>424,533    | <br>424,533     | <br>1,238,343             | <br>65%                        | <br>804,228             | <br>1,086,140           |
| <br><b>EXCESS REVENUES &amp; OTHER<br/>FINANCING SOURCES OVER(UNDER)<br/>EXPENDITURES AND OTHER USES</b> | <br>46,627     | <br>471,160     | <br>0                     |                                | <br>0                   | <br>0                   |

**SPECIAL SERVICES  
INCOME STATEMENT  
FOR PERIOD ENDING JANUARY 31, 2019**

**33.33%**

|  | MONTHLY       | YEAR TO<br>DATE | 2019<br>ADOPTED<br>BUDGET | % OF 2019<br>ADOPTED<br>BUDGET | 2018<br>YEAR TO<br>DATE | 2018<br>FINAL<br>BUDGET |
|--|---------------|-----------------|---------------------------|--------------------------------|-------------------------|-------------------------|
| <b>REVENUES</b>  |               |                 |                           |                                |                         |                         |
| Ricardo Water Supply Corporation   | 23,552        | 88,704          | 302,824                   | 29%                            | 80,912                  | 283,605                 |
| Nueces Water Supply Corporation  | 22,739        | 79,175          | 285,529                   | 28%                            | 79,472                  | 266,294                 |
| <b>TOTAL REVENUES</b>  | <b>46,292</b> | <b>167,879</b>  | <b>588,353</b>            | <b>29%</b>                     | <b>160,384</b>          | <b>549,899</b>          |
| <b>EXPENDITURES</b>  |               |                 |                           |                                |                         |                         |
| Personnel  | 33,102        | 102,919         | 319,559                   | 32%                            | 100,957                 | 292,673                 |
| Overhead   | 24,242        | 100,073         | 268,794                   | 37%                            | 82,281                  | 257,225                 |
| <b>TOTAL EXPENDITURES</b>  | <b>57,344</b> | <b>202,992</b>  | <b>588,353</b>            | <b>35%</b>                     | <b>183,238</b>          | <b>549,898</b>          |
| <br><b>EXCESS REVENUES &amp; OTHER<br/>FINANCING SOURCES OVER(UNDER)<br/>EXPENDITURES AND OTHER USES</b> |               |                 |                           |                                |                         |                         |
|  | (11,053)      | (35,113)        | 0                         |                                | (22,854)                | 1                       |

**South Texas Water Authority  
Balance Sheet  
January 31, 2019**

**ASSETS**

**Current Assets**

|                                |           |              |                                   |
|--------------------------------|-----------|--------------|-----------------------------------|
| STWA - General                 | \$        | 206,680.42   |                                   |
| STWA - Payroll                 |           | 20,755.55    |                                   |
| STWA - Operations              |           | 17,841.11    |                                   |
| Petty Cash                     |           | 150.00       |                                   |
| TexPool - STWA General         |           | 2,539,577.84 |                                   |
| Due From Capital Projects Fund |           | 9,236.26     |                                   |
| Due from Debt Service Fund     |           | 96.78        |                                   |
| Due from D.S. -Collect Service |           | 4,052.59     |                                   |
| Tax Accounts Receivable        |           | 154,713.31   |                                   |
| Allowance for Uncollect Taxes  |           | (66,653.05)  |                                   |
| Service accts receivable       |           | 189,714.82   |                                   |
| Interlocal Rec-Bishop          |           | 1,463.56     |                                   |
| Interlocal Rec-Ricardo         |           | 16,998.90    |                                   |
| Interlocal Rec-Nueces          |           | 14,969.55    |                                   |
| Interlocal Rec. - Tax Assessor |           | 136,070.74   |                                   |
| Inventory                      |           | 17,836.50    |                                   |
|                                |           |              |                                   |
| <b>Total Assets</b>            | <b>\$</b> |              | <b><u><u>3,263,504.88</u></u></b> |

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

|                          |    |            |                   |
|--------------------------|----|------------|-------------------|
| Trade Accounts Payable   | \$ | 148,230.76 |                   |
| Salaries & Wages Payable |    | 27,300.80  |                   |
| Unemployment Comp. Pbl.  |    | 449.18     |                   |
| Miscellaneous Payables   |    | 716.51     |                   |
| Compensated Absences     |    | 19,571.30  |                   |
| Deferred tax revenue     |    | 88,060.26  |                   |
| Due to Debt Service Fund |    | 168.25     |                   |
|                          |    |            |                   |
| <b>Total Liabilities</b> |    |            | <b>284,497.06</b> |

**Fund Equity**

|  |           |              |                                   |
|--|-----------|--------------|-----------------------------------|
| Unassigned Fund Balance                    |           | 2,440,600.18 |                                   |
| Assigned Fund Bal. - Inventory             |           | 17,836.50    |                                   |
| Current Earning                            |           | 520,571.14   |                                   |
|  |           |              |                                   |
| <b>Total Fund Equity</b>                   |           |              | <b><u><u>2,979,007.82</u></u></b> |
| <b>Total Liabilities &amp; Fund Equity</b> | <b>\$</b> |              | <b><u><u>3,263,504.88</u></u></b> |

**South Texas Water Authority  
 GI Account Summary Report  
 As of: January 31, 2019**

| <u>Account Description</u>     | <u>Beginning Balance</u> | <u>Debit Change</u>    | <u>Credit Change</u>     | <u>Net Change</u>    | <u>Ending Balance</u> |
|--------------------------------|--------------------------|------------------------|--------------------------|----------------------|-----------------------|
| <b>Current Assets</b>          |                          |                        |                          |                      |                       |
| STWA - General                 | 216,797.03               | \$ 369,307.90          | \$ (379,424.51)          | \$ (10,116.61)       | \$ 206,680.42         |
| STWA - Payroll                 | 14,168.75                | 40,009.34              | (33,422.54)              | 6,586.80             | 20,755.55             |
| STWA - Operations              | 33,034.96                | 50,021.22              | (65,215.07)              | (15,193.85)          | 17,841.11             |
| Petty Cash                     | 150.00                   | 0.00                   | 0.00                     | 0.00                 | 150.00                |
| Transfers                      | 0.00                     | 215,000.00             | (215,000.00)             | 0.00                 | 0.00                  |
| TexPool - STWA General         | 2,269,951.81             | 395,922.47             | (126,296.44)             | 269,626.03           | 2,539,577.84          |
| Due From Capital Projects Fund | 53,493.96                | 9,236.26               | (53,493.96)              | (44,257.70)          | 9,236.26              |
| Due from Debt Service Fund     | 1,148.00                 | 96.78                  | (1,148.00)               | (1,051.22)           | 96.78                 |
| Due from D.S. -Collect Service | 11,238.72                | 4,052.60               | (11,238.73)              | (7,186.13)           | 4,052.59              |
| 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 accs receivable        | 228,258.20               | 139,307.31             | (177,850.69)             | (38,543.38)          | 189,714.82            |
| Interlocal Rec-Bishop          | 1,184.01                 | 692.72                 | (413.17)                 | 279.55               | 1,463.56              |
| Interlocal Rec-Ricardo         | 15,776.74                | 7,870.57               | (6,648.41)               | 1,222.16             | 16,998.90             |
| Interlocal Rec-Nueces          | 11,587.05                | 7,955.79               | (4,573.29)               | 3,382.50             | 14,969.55             |
| Interlocal Rec. - Tax Assessor | 28,775.59                | 136,070.74             | (28,775.59)              | 107,295.15           | 136,070.74            |
| Inventory                      | 17,836.50                | 0.00                   | 0.00                     | 0.00                 | 17,836.50             |
| <b>Total Assets</b>            | <b>2,991,461.58</b>      | <b>1,375,543.70</b>    | <b>(1,103,500.40)</b>    | <b>272,043.30</b>    | <b>3,263,504.88</b>   |
| <b>Current Liabilities</b>     |                          |                        |                          |                      |                       |
| Trade Accounts Payable         | (238,755.39)             | 329,883.10             | (239,358.47)             | 90,524.63            | (148,230.76)          |
| Salaries & Wages Payable       | (19,716.00)              | 19,716.00              | (27,300.80)              | (7,584.80)           | (27,300.80)           |
| Hospital Ins Tax Payable       | 0.00                     | 1,328.41               | (1,328.41)               | 0.00                 | 0.00                  |
| Withholding Taxes Payable      | 0.00                     | 4,088.01               | (4,088.01)               | 0.00                 | 0.00                  |
| Emply Retire Prem Payable      | 0.00                     | 11,189.78              | (11,189.78)              | 0.00                 | 0.00                  |
| Unemployment Comp. Pbl.        | 0.00                     | 0.00                   | (449.18)                 | (449.18)             | (449.18)              |
| Miscellaneous Payables         | (630.49)                 | 9,653.12               | (9,739.14)               | (86.02)              | (716.51)              |
| 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       | (1,296.44)               | 1,296.44               | (168.25)                 | 1,128.19             | (168.25)              |
| <b>Total Liabilities</b>       | <b>(368,029.88)</b>      | <b>377,154.86</b>      | <b>(293,622.04)</b>      | <b>83,532.82</b>     | <b>(284,497.06)</b>   |
| <b>Fund Equity</b>             |                          |                        |                          |                      |                       |
| 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)           |
| <b>Total Fund Equity</b>       | <b>(2,458,436.68)</b>    | <b>0.00</b>            | <b>0.00</b>              | <b>0.00</b>          | <b>(2,458,436.68)</b> |
| <b>Totals</b>                  | <b>164,995.02</b>        | <b>\$ 1,752,698.56</b> | <b>\$ (1,397,122.44)</b> | <b>\$ 355,576.12</b> | <b>\$ 520,571.14</b>  |

**DEBT SERVICE FUND  
INCOME STATEMENT  
FOR PERIOD ENDING JANUARY 31, 2019**

**33.33%**

|  |                |                 | 2019              | % OF 2019         |                 |                         |
|--|----------------|-----------------|-------------------|-------------------|-----------------|-------------------------|
|  | MONTHLY        | YEAR TO<br>DATE | ADOPTED<br>BUDGET | ADOPTED<br>BUDGET | YEAR TO<br>DATE | 2018<br>FINAL<br>BUDGET |
| <b>REVENUES</b>  |                |                 |                   |                   |                 |                         |
| Ad-Valorem - Current   | 133,209        | 256,021         | 364,889           | 70%               | 267,416         | 353,210                 |
| Delinquent Tax Revenue   | 661            | 3,687           | 7,000             | 53%               | 4,705           | 12,125                  |
| Penalty & Interest - Tax Accounts                                  | 527            | 1,368           | 5,500             | 25%               | 1,362           | 6,500                   |
| Out-of-District Surcharge  | 168            | 673             | 2,019             | 33%               | 720             | 2,159                   |
| Interest on Temporary Investments                                  | 416            | 857             | 3,250             | 26%               | 445             | 3,550                   |
| Miscellaneous  | <u>0</u>       | <u>0</u>        | <u>0</u>          | 0%                | <u>0</u>        | <u>0</u>                |
| <b>TOTAL TAXES &amp; INTEREST</b>                                  | <b>134,982</b> | <b>262,607</b>  | <b>382,658</b>    | <b>69%</b>        | <b>274,647</b>  | <b>377,544</b>          |
| <b>OTHER FINANCING SOURCES</b>                                     |                |                 |                   |                   |                 |                         |
| Excess Bond Proceeds   | <u>0</u>       | <u>0</u>        | <u>0</u>          | 0%                | <u>0</u>        | <u>0</u>                |
| <b>TOTAL OTHER FINANCE SOURCES</b>                                 | <b>0</b>       | <b>0</b>        | <b>0</b>          |                   | <b>0</b>        | <b>377,544</b>          |
| <b>TOTAL REVENUE AND OTHER<br/>    FINANCE SOURCES</b>             | <b>134,982</b> | <b>262,607</b>  | <b>382,658</b>    | <b>69%</b>        | <b>274,647</b>  | <b>377,544</b>          |
| <b>EXPENDITURES</b>  |                |                 |                   |                   |                 |                         |
| Fiscal Agent Fees  | 0              | 0               | 200               | 0%                | 0               | 200                     |
| Bond Interest Expense  | 0              | 0               | 122,350           | 0%                | 0               | 126,750                 |
| Bond Principal Payments  | 0              | 0               | 225,000           | 0%                | 0               | 220,000                 |
| Tax Collector Fees   | 4,053          | 11,737          | 10,739            | 109%              | 10,026          | 11,966                  |
| Appraisal District Fees  | 0              | 1,581           | 6,600             | 24%               | 1,821           | 6,836                   |
| Miscellaneous  | <u>0</u>       | <u>0</u>        | <u>0</u>          | 0%                | <u>0</u>        | <u>0</u>                |
| <b>TOTAL EXPENDITURES</b>  | <b>4,053</b>   | <b>13,318</b>   | <b>364,889</b>    | <b>4%</b>         | <b>11,847</b>   | <b>365,752</b>          |
| <b>EXCESS REVENUES OVER(UNDER)<br/>EXPENDITURES AND OTHER USES</b> | <b>130,929</b> | <b>249,289</b>  | <b>17,769</b>     |                   | <b>262,800</b>  | <b>11,792</b>           |

**STWA Debt Service Fund  
Balance Sheet  
January 31, 2019**

**ASSETS**

**Current Assets**

|                               |    |            |            |
|-------------------------------|----|------------|------------|
| Debt Service Acct. - TexPool  | \$ | 250,642.99 |            |
| Due from General              |    | 168.25     |            |
| Interlocal Rec.-Tax Assessors |    | 37,619.36  |            |
| Taxes Receivable              |    | 50,811.55  |            |
| Allowance for Uncollectibles  |    | (8,581.46) |            |
|                               |    |            |            |
| Total Current Assets          |    |            | 330,660.69 |

**Other Assets**

|                    |  |  |               |
|--------------------|--|--|---------------|
|                    |  |  |               |
| Total Other Assets |  |  | 0.00          |
| Total Assets       |  |  | \$ 330,660.69 |

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

|                           |    |           |           |
|---------------------------|----|-----------|-----------|
| Deferred Tax Revenue      | \$ | 42,230.09 |           |
| Due to General Fund       |    | 4,149.38  |           |
|                           |    |           |           |
| Total Current Liabilities |    |           | 46,379.47 |

**Long-Term Liabilities**

|                             |  |  |           |
|-----------------------------|--|--|-----------|
|                             |  |  |           |
| Total Long-Term Liabilities |  |  | 0.00      |
| Total Liabilities           |  |  | 46,379.47 |

**Fund Balance**

|                                  |  |            |               |
|----------------------------------|--|------------|---------------|
| Fund Balance                     |  | 34,991.97  |               |
| Net Income                       |  | 249,289.25 |               |
|                                  |  |            |               |
| Total Fund Balance               |  |            | 284,281.22    |
| Total Liabilities & Fund Balance |  |            | \$ 330,660.69 |

STWA Debt Service Fund  
 GI Account Summary Report  
 As of: January 31, 2019

| <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 | 156,468.28               | \$ 106,561.44        | \$ (12,386.73)        | \$ 94,174.71         | \$ 250,642.99         |
| 12200                 | Due from General             | 1,296.44                 | 168.25               | (1,296.44)            | (1,128.19)           | 168.25                |
| 13001                 | Interlocal Rec.-Tax Assessor | 1,712.48                 | 37,619.36            | (1,712.48)            | 35,906.88            | 37,619.36             |
| 13100                 | Due from Other Government    | 6,261.60                 | 1,712.48             | (7,974.08)            | (6,261.60)           | 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          | (12,386.73)              | 12,386.73            | (4,149.38)            | 8,237.35             | (4,149.38)            |
| 39100                 | Fund Balance                 | (34,991.97)              | 0.00                 | 0.00                  | 0.00                 | (34,991.97)           |
|                       | Totals                       | <u>118,360.10</u>        | <u>\$ 158,448.26</u> | <u>\$ (27,519.11)</u> | <u>\$ 130,929.15</u> | <u>\$ 249,289.25</u>  |

**CAPITAL PROJECTS FUND  
INCOME STATEMENT  
FOR PERIOD ENDING JANUARY 31, 2019**

**33.33%**

|  | MONTHLY  | YEAR TO<br>DATE | 2019<br>ADOPTED<br>BUDGET | % OF 2019<br>ADOPTED<br>BUDGET | 2018<br>YEAR TO<br>DATE | 2018<br>FINAL<br>BUDGET |
|--|----------|-----------------|---------------------------|--------------------------------|-------------------------|-------------------------|
| <b>REVENUES</b>  |          |                 |                           |                                |                         |                         |
| Bond Proceeds  | 0        | 0               | 0                         | 0%                             | 0                       | 0                       |
| Interest Income  | 2,090    | 7,864           | 17,500                    | 45%                            | 5,098                   | 17,300                  |
| TOTAL REVENUE AND OTHER<br>FINANCE SOURCES                             | 2,090    | 7,864           | 17,500                    | 45%                            | 5,098                   | 17,300                  |
| <br><b>EXPENDITURES</b>  |          |                 |                           |                                |                         |                         |
| Right of Way Acquisition   | 0        | 0               | 7,264                     | 0%                             | 0                       | 0                       |
| Engineering Fees   | 0        | 0               | 245,594                   | 0%                             | 4,500                   | 5,400                   |
| Construction Costs   |          |                 |                           | 0%                             | 160,919                 | 228,484                 |
| a) 42" Line-Cathodic Protection  | 9,236    | 27,233          | 305,977                   | 14%                            | 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   | 9,236    | 27,233          | 939,942                   | 3%                             | 165,419                 | 233,884                 |
| <br><b>EXCESS REVENUES OVER(UNDER)<br/>EXPENDITURES AND OTHER USES</b> |          |                 |                           |                                |                         |                         |
|  | (7,146)  | (19,369)        | (922,442)                 |                                | (160,321)               | (216,584)               |



**CATHODIC PROTECTION  
FY2019**

|               | <b>Payroll</b>    | <b>Materials</b>  | <b>Total</b>                                     |
|---------------|-------------------|-------------------|--|
| October 2018  | \$3,950.61        | \$1,914.11        | \$5,864.72 Due from Capital Projects Fund        |
| November 2018 | \$4,716.62        | \$4,482.98        | \$9,199.60 Due from Capital Projects Fund        |
| December 2018 | \$4,715.54        | \$131.12          | \$4,846.66 Due from Capital Projects Fund        |
| January 2019  | <u>\$8,156.79</u> | <u>\$1,079.47</u> | <u>\$9,236.26</u> Due from Capital Projects Fund |
|               | \$13,382.77       | \$6,528.21        | \$29,147.24                                      |

**STWA Capital Projects Fund  
Balance Sheet  
January 31, 2019**

**ASSETS**

**Current Assets**

|                             |               |            |
|-----------------------------|---------------|------------|
| TexSTAR - Construction Fund | \$ 980,297.55 |            |
|                             |               |            |
| Total Current Assets        |               | 980,297.55 |

**Property and Equipment**

|                              |  |      |
|------------------------------|--|------|
|                              |  |      |
| Total Property and Equipment |  | 0.00 |

**Other Assets**

|                    |               |      |
|--------------------|---------------|------|
|                    |               |      |
| Total Other Assets |               | 0.00 |
|                    |               |      |
| Total Assets       | \$ 980,297.55 |      |

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

|                           |             |          |
|---------------------------|-------------|----------|
| Due to General Fund       | \$ 9,236.26 |          |
|                           |             |          |
| Total Current Liabilities |             | 9,236.26 |

**Long-Term Liabilities**

|                             |  |          |
|-----------------------------|--|----------|
|                             |  |          |
| Total Long-Term Liabilities |  | 0.00     |
|                             |  |          |
| Total Liabilities           |  | 9,236.26 |

**Fund Balance**

|                                  |               |            |
|----------------------------------|---------------|------------|
| Fund Balance                     | 990,430.19    |            |
| Net Income                       | (19,368.90)   |            |
|                                  |               |            |
| Total Fund Balance               |               | 971,061.29 |
|                                  |               |            |
| Total Liabilities & Fund Balance | \$ 980,297.55 |            |

STWA Capital Projects Fund  
 GI Account Summary Report  
 As of: January 31, 2019

| <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     | 1,031,701.25             | \$ 2,090.26         | \$ (53,493.96)        | \$ (51,403.70)       | \$ 980,297.55         |
| 2400                  | Due to General Fund        | (53,493.96)              | 53,493.96           | (9,236.26)            | 44,257.70            | (9,236.26)            |
| 39100                 | Fund Balance               | (990,430.19)             | 0.00                | 0.00                  | 0.00                 | (990,430.19)          |
|                       | Totals                     | <u>(12,222.90)</u>       | <u>\$ 55,584.22</u> | <u>\$ (62,730.22)</u> | <u>\$ (7,146.00)</u> | <u>\$ (19,368.90)</u> |

| INV DATE   | VENDOR                           | INV # | DESCRIPTION              | STATUS  | AMOUNT             |
|------------|----------------------------------|-------|--------------------------|---------|--------------------|
| 12/25/2018 | John Womack & Co., P. C.         | 13597 | FY2018 Audit             | pending | \$3,945.00         |
| 1/17/2019  | Mercer Controls, Inc.            | 17208 | SCADA updates            | pending | \$6,895.00         |
| 1/24/2019  | Kevin Kieschnick-NC Tax Assessor |       | December per parcel fees | pending | \$14,405.75        |
| 1/31/2019  | Willatt & Flickinger, PLLC       |       | January legal            | pending | \$2,562.90         |
| 2/11/2019  | City of Corpus Christi           |       | January water usage      | pending | <u>\$81,402.45</u> |
|            |                                  |       |                          |         | \$109,211.10       |

John Womack & Co, P.C.  
205 South 10th Street  
Kingsville, TX 78363  
Phone (361) 592-2671

RECEIVED

JAN 07 2019

SOUTH TEXAS WATER AUTHORITY

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

Invoice#: 13597  
Date: 12/25/2018

Billing of financial audit services for the year ended September 30, 2018

\$3,945.00

528  
POSTED  
1/14/19

PLEASE DETACH HERE AND RETURN WITH PAYMENT

Date: 12/25/2018

Invoice#: 13597

South Texas Water Authority

**John Womack & Co, P.C.**

205 South 10th Street  
Kingsville, TX 78363  
Phone (361) 592-2671

Balance Due: \$3,945.00

Amount Enclosed:

Mercer Controls, Inc.

P O Box 777  
Edna TX 77957

RECEIVED

JAN 28 2019

**Invoice**

|           |           |
|-----------|-----------|
| Date      | Invoice # |
| 1/17/2019 | 17208     |

SOUTH TEXAS WATER AUTHORITY

|  |
|--|
| Bill To  |
| South Texas Water Authority<br>Attention: Carola Serrato<br>P O Box 1701<br>Kingsville, TX 78364 |

POSTED

|          |                |         |
|----------|----------------|---------|
| P.O. No. | Terms          | Project |
|          | Due on receipt |         |

| Quantity  | Description   | Rate         | Amount    |
|---|---|--------------|-----------|
| 1   | <p>Service completion to upgrade the existing SCADA communications for the South Texas Water Authority. Re-arranged the existing radio system so that the space is no longer required on the Elevated Storage Tank in Driscoll.</p> <p>The base proposal included replacing all antennas, lightning arrestors, and antenna cables at each site unless recently upgraded. Radio path survey was performed and indicated higher towers for the antennas would be required at Central Pump Station, Stephenson, and Banquette Water Plant locations. The Central location increase was accounted for in this base proposal.</p> <p>Current Contract: \$34,475.00</p> <p>Charges as quoted and approved - 100% Complete (Reference Mercer Controls Proposal Dated February 22, 2018)</p> <p>Sites Updated:<br/>Kingsville - Complete (Needs 15dbi antenna)<br/>Bishop - Complete<br/>Driscoll to Kingsville - Complete (Needs 15dbi antenna)<br/>Driscoll to Central - Complete<br/>Agua Dulce - Complete<br/>Sablatura - Complete<br/>Banquette - Tower needs to be raised (Add temporary radio)</p> | 34,475.00    | 34,475.00 |
| Thank you for your business. We are glad to be of service to you. |   | <b>Total</b> |           |

Mercer Controls, Inc.

P O Box 777  
Edna TX 77957

# Invoice

|           |           |
|-----------|-----------|
| Date      | Invoice # |
| 1/17/2019 | 17208     |

|  |
|--|
| Bill To  |
| South Texas Water Authority<br>Attention: Carola Serrato<br>P O Box 1701<br>Kingsville, TX 78364 |

|          |                |         |
|----------|----------------|---------|
| P.O. No. | Terms          | Project |
|          | Due on receipt |         |

| Quantity  | Description   | Rate         | Amount            |
|---|---|--------------|-------------------|
| -1  | Stephenson - Complete (Needs to be raised, Needs 15dbi antenna)<br>Paid Prior | 27,580.00    | -27,580.00        |
| Thank you for your business. We are glad to be of service to you. |   | <b>Total</b> | <b>\$6,895.00</b> |



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

RECEIVED

JAN 28 2019

SOUTH TEXAS WATER AUTHORITY

January 24, 2019

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 December 2018**

|                           |                    |
|---------------------------|--------------------|
| Total collected parcels   | 10,820             |
| Collection Fee per Parcel | <u>\$1.3314</u>    |
| Total for DECEMBER        | <u>\$14,405.75</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



**WILLATT & FLICKINGER, PLLC**  
**ATTORNEYS AT LAW**

12912 HILL COUNTRY BLVD., SUITE F-232 • AUSTIN, TEXAS 78738 • (512) 476-6604 • FAX (512) 469-9148

January 31, 2019

Ms. Carola Serrato  
Executive Director  
South Texas Water Authority  
P.O. Box 1701  
Kingsville, Texas 78364-1701

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FOR PROFESSIONAL SERVICES RENDERED since the date of last billing:

GENERAL

BILL FLICKINGER

- 01/02/19 Receive, review and respond to email from Carola Serrato on draft agenda items for joint meeting with the City of Bishop. (0.2 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours). Receive and review emails from Carola Serrato and Bishop City Secretary on joint meeting. (0.2 Hours).
- 01/04/19 Receive and review email from Bishop City Secretary with agenda for Tuesday's joint meeting with STWA Board. (0.2 Hours).
- 01/07/19 Receive and review email from Carola Serrato to Aaron Archer on schedule for final report in connection with TCEQ Enforcement Order. (0.2 Hours).
- 01/08/19 Receive and begin review of draft of final report letter to TCEQ sent by Carola Serrato. (0.2 Hours). Receive and review email from Carola Serrato on City of Bishop's redline revisions to proposed license agreement. Telephone conference with Carola Serrato on same. (0.3 Hours).
- 01/09/19 Receive and review email from Carola Serrato on last night's joint meeting with City of Bishop. (0.2 Hours). Telephone conference with Carola Serrato to discuss same. (0.2 Hours).
- 01/10/19 Telephone conference with Carola Serrato on issues related to City of Bishop contract. (0.2 Hours).
- 01/16/19 Continue revising Water Supply Contract with the City of Bishop. (0.9 Hours). Email to Carola Serrato attaching same for her review. (0.2 Hours).

January 31, 2019

Page 2

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- 01/17/19 Continue revising draft License Agreement with City of Bishop. (0.9 Hours). Telephone conference with Carola Serrato on same. (0.5 Hours).
- 01/18/19 Continue revising License Agreement with the City of Bishop and email revised redline draft of same for her review. (1.5 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours). Make additional revisions to same and email revised redline draft to Carola Serrato. (0.3 Hours).
- 01/22/19 Receive and review emails between City Secretary of City of Bishop and Carola Serrato on upcoming Board and Council meetings. (0.2 Hours).
- 01/23/19 Emails with Carola Serrato on Board action taken on Bishop Water Supply Contract and License Agreement. (0.2 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours). Revise License Agreement and email same to Carola Serrato for review. (0.2 Hours). Rough draft email to attorney Jerry Benadum on Water Supply Contract and License Agreement and email same to Carola Serrato for review. (0.3 Hours).
- 01/31/19 Telephone conference with Carola Serrato on last night's Bishop Council meeting. (0.2 Hours). Rough draft email to Jerry Benadum on status of License Agreement with the City of Bishop and send to Carola Serrato for review. (0.2 Hours).

Attorney BF: 8.1 Hours

ALLISON NIX

- 01/14/19 Begin drafting Notice to Purchaser for the Authority. (0.3 Hours).
- 01/15/19 Draft and send email to Carola Serrato on status of Notice to Purchaser. Review Water Code in connection with same. (0.3 Hours).
- 01/28/19 File Eminent Domain Report for 2019 with the Comptroller. (0.2 Hours).

Legal Assistant AN: 0.8 Hours

|  |            |
|--|------------|
| Attorney BF: 8.1 Hours @ \$300.00 per hour       | \$2,430.00 |
| Attorney MM: 0 Hours @ \$300.00 per hour         |            |
| Legal Assistant AN: 0.8 Hours @ \$95.00 per hour | \$76.00    |

January 31, 2019  
Page 3

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CLIENT EXPENSES

87 Photocopies @ \$.20 each      \$17.40

79 Color Photocopies @ \$.50 each      \$39.50

Total Client Expenses      \$56.90

TOTAL AMOUNT DUE      \$2,562.90



**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: 2/11/2019  
Due Date: 3/11/2019  
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: 2023888

**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 \$199,364.98  
TOTAL PAID SINCE LAST BILL -\$199,364.98  
  
NEW CHARGES  
WATER \$49,239.70  
RWCA \$1.013/TGAL \$32,162.75  
TOTAL WATER \$81,402.45  
  
NEW CHARGES DUE BY 3/11/2019: \$81,402.45  
AMOUNT DUE \$81,402.45

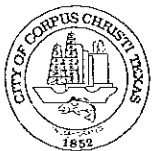
PLEASE ALLOW 5 BUSINESS DAYS BEFORE DUE DATE TO ENSURE PROPER CREDIT.

RECEIVED

FEB 15 2019

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       | 3/11/2019 | \$81,402.45 |

AMOUNT DUE IF PAID AFTER 3/11/2019 \$85,472.57

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

When making payment in person, please bring this stub.

Working to Serve YOU Better.

5872



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

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



200040930081402450



**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

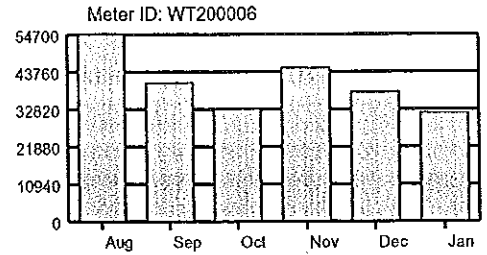
Account Name: SOUTH TX WATER AUTH  
Account Number: 20004093  
Statement Date: 2/11/2019  
Due Date: 3/11/2019  
Page: Page 2 of 2

**METER INFORMATION**

SERVICE PERIOD: 12/31/2018 - 1/31/2019 32 days

| Meter ID | Service Type | Current Read | Previous Read | Consumption 1/31/2019 |
|----------|--------------|--------------|---------------|-----------------------|
| WT200006 | WA           | 4597700      | 4565950       | 31750                 |

**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.cctexas.com](http://www.cctexas.com).
- Online Payment - Register via Dynamic Portal at [www.cctexas.com](http://www.cctexas.com) available 24/7.
- By phone 24/7 with a credit or debit card at 361-885-0751.

AUTHORIZED PAY STATIONS

All local HEB locations  
Please allow 2 business days before due date to ensure proper credit.

**ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED**

|                 | ANTICIPATED (BUDGETED) CHARGES |                 |                 | ACTUAL CHARGES     |                   |                   | Difference:<br>Actual vs.<br>Budgeted |
|-----------------|--------------------------------|-----------------|-----------------|--------------------|-------------------|-------------------|---------------------------------------|
|                 | Handling<br>Charge             | CC Cost         | Total           | Handling<br>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         | \$2.563857        | \$2.990243        | \$0.0053                              |
| 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                             |
| <b>Avg Cost</b> | <b>\$0.426386</b>              | <b>\$2.5171</b> | <b>\$2.9435</b> | <b>\$0.426386</b>  | <b>\$2.439362</b> | <b>\$2.865748</b> | <b>-\$0.0778</b>                      |

**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         | 35,035,330         | -5,701,641       | Jan-19       | 11,767,366         | 13,131,970        | 1,364,604        |
| 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                 |                  |
| <b>TOTAL</b>  | <b>523,539,495</b> | <b>164,397,700</b> | <b>1,560,645</b> | <b>TOTAL</b> | <b>148,179,918</b> | <b>53,979,440</b> | <b>7,936,606</b> |

| 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         | 5,949,000         | -4,516,979     | Jan-19       | 7,345,000          | 8,378,000         | 1,033,000       |
| 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                 |                 |
| <b>TOTAL</b> | <b>125,591,753</b> | <b>42,168,000</b> | <b>304,082</b> | <b>TOTAL</b> | <b>102,940,000</b> | <b>30,231,000</b> | <b>-792,600</b> |

| 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         | 11,000           | -4,453,400        |
| 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                |                   |
| <b>TOTAL</b> | <b>59,300,400</b> | <b>7,251,000</b> | <b>-9,556,000</b> |

| 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         | 1,919,740        | -108,802        |
| 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                |                 |
| <b>TOTAL</b> | <b>26,039,712</b> | <b>8,269,020</b> | <b>-100,650</b> |

| 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         | 3,617,100         | 863,540          |
| 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                 |                  |
| <b>TOTAL</b> | <b>34,971,079</b> | <b>14,738,200</b> | <b>4,178,315</b> |

| 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         | 2,028,520        | 116,396         |
| 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                |                 |
| <b>TOTAL</b> | <b>26,516,633</b> | <b>7,761,040</b> | <b>-409,108</b> |

#### Kingsville Actual Usage vs. Bell Chart Volume

|              | Target<br>Volume   | Actual<br>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          | 5,949,000         | 1,299,000         |
| 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                 |                   |
| <b>TOTAL</b> | <b>128,571,097</b> | <b>42,168,000</b> | <b>11,809,917</b> |

**Net Revenue per Thousand (1,000) Gallons**

| <b>Kingsville</b> |                   |                    |                 | <b>NWSC</b>          |                    |                    |                 |
|-------------------|-------------------|--------------------|-----------------|----------------------|--------------------|--------------------|-----------------|
|                   | 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         | \$2,537.71         | \$0.2540        | Dec-18               | 13,970,520         | \$4,407.76         | \$0.3155        |
| 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!         |
| <b>TOTAL</b>      | <b>36,219,000</b> | <b>\$11,522.43</b> | <b>\$0.3181</b> | <b>TOTAL</b>         | <b>40,847,470</b>  | <b>\$13,275.24</b> | <b>\$0.3250</b> |
| <b>Bishop</b>     |                   |                    |                 | <b>RWSC</b>          |                    |                    |                 |
|                   | 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           | -\$791.23          | -\$2.3977       | Dec-18               | 7,249,000          | \$1,522.81         | \$0.2101        |
| 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!         |
| <b>TOTAL</b>      | <b>7,240,000</b>  | <b>\$279.13</b>    | <b>\$0.0386</b> | <b>TOTAL</b>         | <b>21,853,000</b>  | <b>\$4,767.71</b>  | <b>\$0.2182</b> |
| <b>Driscoll</b>   |                   |                    |                 | <b>Banquette</b>     |                    |                    |                 |
|                   | 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         | \$939.56           | \$0.2666        | Dec-18               | 2,301,060          | \$550.37           | \$0.2392        |
| 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!         |
| <b>TOTAL</b>      | <b>11,121,100</b> | <b>\$2,656.78</b>  | <b>\$0.2389</b> | <b>TOTAL</b>         | <b>6,349,280</b>   | <b>\$1,570.36</b>  | <b>\$0.2473</b> |
| <b>Agua Dulce</b> |                   |                    |                 | <b>All Customers</b> |                    |                    |                 |
|                   | 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         | \$478.33           | \$0.2252        | Dec-18               | 39,489,710         | \$9,645.31         | \$0.2442        |
| 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!         |
| <b>TOTAL</b>      | <b>5,732,520</b>  | <b>\$1,393.50</b>  | <b>\$0.2431</b> | <b>TOTAL</b>         | <b>129,362,370</b> | <b>\$35,465.15</b> | <b>\$0.2742</b> |



## INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director  
FROM: Jacob Hinojosa, O&M Supervisor  
DATE: January 22, 2019  
RE: Maintenance & Technical Report

During the week of November 12, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Installed new pressure gauge for the LAS system at Driscoll Booster.
- Replaced light bulbs in office.
- Cleaned up shop and disposed of trash.
- Replaced insulation on piping around the pump stations.
- Performed NAP sampling.
- Picked up Unit #1 from Truckers Equipment.
- Installed a new corporation stop inside the 42" vault on CR 36 and Hwy 77.
- Mowed grass at the office.
- Installed tool box on Unit #1.
- Half of field crew attended a TCEQ training at the office.
- Took water samples.
- Checked colorimeter verification.

During the week of November 19, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Moved tools into new truck and installed a side tool box.
- Contacted Verizon to get a replacement GPS unit.

During the week of November 26, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.

- Performed NAP sampling.
- Replaced angle iron on haul trailer.
- Took Unit #7 to get an oil change.
- Replaced battery on generator at Driscoll Pump Station.
- Repaired water line inside chlorine building at Agua Dulce Pump Station.
- Installed new suction hose for the LAS at Driscoll Booster Station.
- Delivered 1ton cylinder to Driscoll Booster Station.

During the week of December 3, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Replaced headlight bulb for Unit #2.
- Took water samples.
- Employee practiced driving for CDL exam.
- Other half of field crew attended TCEQ training at the office.
- Picked up Unit #5 from dealership.

During the week of December 10, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Took Unit #5 to get oil change.
- Employees took medical exam for CDL.
- Mowed grass at Kingsville office.
- Replaced headlight bulb for Unit #2.
- Exercised the 42" isolation valves.
- Replaced batteries for the Banquete generator.

During the week of December 17, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Employee took CDL exam.

- Interviewed for CP Tech.
- Employee took medical exam for CDL.
- Installed CL17 analyzer at Sablatura Park Pump Station.
- Contractors removed old cable and repeater antenna from the Driscoll EST.
- Purchased and installed paddles for the Bishop West flow switch.
- Repaired lights on mini excavator trailer.

During the week of December 24, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Took water samples.
- Replaced tires on trailer for mini excavator.
- Repaired tire for Unit #7.
- Took trailers to get inspected and picked up registrations.

During the week of December 24, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Replaced ARV at Agua Dulce master meter run.
- Repaired leak on chlorine injector at Kingsville Pump Station.
- Cut grass inside the Driscoll Pump Station.
- Stewart Stevenson to replaced transfer switch on generator at Agua Dulce Pump Station.

During the week of January 7, 2019, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Performed NAP sampling.
- Submitted DLQOR's.
- Transported tractor rented to mow 42" line right of way.
- Worked on beacon and flood lights for Unit #3.
- South Texas Pressure Systems performed TCEQ required annual inspections on tanks.

## INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director  
FROM: Jacob Hinojosa, O&M Supervisor  
DATE: February 21, 2019  
RE: Maintenance & Technical Report

During the week of January 14, 2019, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Mowed grass at Kingsville office.
- Delivered chlorine to pump stations.
- Checked transfer switch for the Agua Dulce Pump Station generator.
- Dropped off Unit #4 to get motor replaced.
- Took Bac-T samples.
- Took NAP samples.

During the week of January 21, 2019, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Took trailer to get inspected.
- Installed new I/O cards for SCADA flow meters at Banquete and Kingsville.
- Took NAP samples.
- Checked all SCADA cabinets for surge protectors.
- Cleaned out cage in shop and threw away trash.
- Took employee driving to practice for CDL exam.

During the week of January 28, 2019, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Took NAP samples.
- Took Bac-T samples.
- Threw away old pipe and fittings around shop.

- Dropped off office car to get repainted.
- Inventoried all ACT Pak's and meter sizes at the pump stations.
- Employee took CDL exam,
- Took Unit #3 for oil change and brake check.

During the week of February 4, 2019, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Took NAP samples.
- Checked colorimeter verification.
- Picked up new truck from Corpus Christi.
- Took Unit #2 for oil change.
- Took BAC-T samples.
- Attended FMT training with TCEQ.
- Employee took CDL exam.
- Bypassed SCADA signal for GST and adjusted low level lockout for Banquete Pump Station. NCWCID#5 is having their GST cleaned.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: February 20, 2019

Re: CP Update

As of February 12, 2019, 58 anodes on 57 joints on the 42" water line have been installed. This places installations at 3,200 feet north of the office on King Ranch property. We have replaced 2 old test stations with new ones. We have also repaired 25 broken test stations boxes on all 3 contracts.

We have been checking both rectifiers, which are connected to the 42" on 1<sup>st</sup> Street in Bishop and CR 4. Both are working properly. These 2 rectifiers cover 21,122 feet of cathodic protection on Contract 1, which extends from FM 70 to Nueces/ Kleberg County line.

The Bobcat E85 excavator should be arriving the last week of March or the first week of April.

ATTACHMENT 3

Kingsville TIRZ

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: Kingsville Tax Increment Reinvestment Zone

### Background:

In the January memo on this subject, staff reported that I met with representatives from the City of Kingsville regarding a Tax Increment Reinvestment Zone (TIRZ). The January memo included information provided on the TIRZ the City has created. During the meeting, the Board discussed the funds that would be channeled to the City's Fund as a result of the annual calculation on the growth in properties' values as compared to the value in the Base Year. In addition, the Board discussed the percentage that is set by the taxing entity if the governing body votes to participate in the TIRZ.

During the meeting, the Board inquired whether Kleberg County and the Kingsville Independent School District has taken action on the TIRZ. Staff indicated that the information would be requested from the City. The Board tabled action on the matter.

Enclosed is my most recent email to Mr. Tom Ginter, Kingsville Director of Planning and Development Services. With regards to Kleberg County, I have checked the County's agendas for December, January and February. An item related to the TIRZ has not been posted.

### Analysis:

As reported in the last memo, the TIRZ area encompasses about 27 city blocks. According to a City report, STWA's contribution into the City's Fund if made at a 100% level and over a 30-year period would be slightly less than \$9,600. Staff also reported that participation by other entities is not a requirement for the TIRZ to exist. Also, it is important to note that the taxation in the TIRZ is not an additional or new tax; it is a "redirection" of a portion of the tax based on growth. Staff also noted in the last memo if the STWA Board decides to participate in the TIRZ, STWA can establish the required percentage on either the taxes assessed or on the taxes collected. It is staff's opinion that the percentage of the taxes collected would be the preferred method. This is based on Mr. Ginter's description of the Appraisal District's and Tax Assessor-Collector's involvement in the process in the attached email.

### 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:

As discussed during the last meeting, the benefit to South Texas Water Authority is expected to occur as a result of the improvements to the Kingsville Downtown area creating an environment for overall economic growth of the tax base.



**From:** mcserrato@stwa.org  
**Sent:** Monday, February 18, 2019 2:37 PM  
**To:** 'Tom Ginter'  
**Cc:** 'Cynthia Martin'; Jo Ella Wagner; Frances Rosales  
**Subject:** RE: questions on TIF

Yes, this is helpful.

I am wondering also whether the Kleberg County Commissioners Court has considered the matter and, if so, did they take any action?

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:** Friday, February 15, 2019 3:53 PM  
**To:** mcserrato@stwa.org  
**Cc:** Cynthia Martin <CMartin@cityofkingsville.com>  
**Subject:** questions on TIF

Carola:  
I have had previous experience with them when I was the city manager in Beeville but to be sure I have also called the Nueces County Tax Assessor-Collector to answer your questions on the collection part. So this is how they do it in Nueces County with the City of Corpus Christi.

1. The tax money is collected by the tax assessor- collector
2. They then cut a check to the organizing entity which in this case would be the city
3. The Appraisal district is only involved in identifying the properties that are in the TIF District and then notifying the tax assessor-collector. Their valuation process I wouldn't think should not change
4. As you know we have already done that since you have a list of those properties that are in the TIF district, so the Appraisal District would get that property information from us. The tax assessor then would have to code their property tax rolls accordingly, and then it would have to make the calculations to determine the increment for each property  
Hope this helps, let me know if you have any more questions

Tom Ginter  
Director of Planning and Development Services  
City of Kingsville  
(O) 361-595-8053  
(C) 361-219-8830

# City of Kingsville, Texas

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## AGENDA CITY COMMISSION MONDAY, FEBRUARY 25, 2019 REGULAR MEETING

CITY HALL  
HELEN KLEBERG GROVES COMMUNITY ROOM  
400 WEST KING AVENUE  
6:00 P.M.

### I. Preliminary Proceedings.

#### OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

None.

APPROVED BY:

  
Jesus A. Garza  
City Manager

### II. Public Hearing - (Required by Law).<sup>1</sup>

1. Public Hearing on decommissioning of certain real property of the City of Kingsville designated as park land. (City Manager).

### III. Reports from Commission & Staff.<sup>2</sup>

*"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to, the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course Update. No formal action can be taken on these items at this time."*

### IV. Public Comment on Agenda Items.<sup>3</sup>

1. Comments on all agenda and non-agenda items.

V.

**Consent Agenda**

**Notice to the Public**

*The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.*

**CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:**

*(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)*

1. Motion to approve final passage of an ordinance designating a certain area as a reinvestment zone. (City Attorney).
2. Motion to approve a resolution authorizing the City Manager to enter into an Amendment to Commercial Real Estate Listing Agreement exclusive right to sell between the City of Kingsville and Lynn Yaklin. (Purchasing Manager).

**REGULAR AGENDA**

**CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

VI. **Items for consideration by Commissioners.<sup>4</sup>**

3. Consider a resolution decommissioning certain real property owned by the City and designated as park land. (City Manager).
4. Consider a resolution approving an application and agreement for the historic district façade grant program from Lonnie Schwirtlich on behalf of Physicians Premier Real Estate Holdings-Kingsville for Access Urgent Care for property located at 401 E. King Avenue, Kingsville, Texas. (Downtown Manager).
5. Consider a resolution authorizing the City Manager to enter into the 2019 Election Services Agreement between the City of Kingsville and the Kleberg County Clerk. (City Secretary).
6. Consider a resolution establishing guidelines and criteria governing tax abatement for all taxing entities located within the City of Kingsville, authorizing the City Manager to accept applications on behalf of the City for presentation to the Commission, stating the City elects to be eligible to participate in tax abatements, and providing for evaluation of each application for conformity with such guidelines and criteria prior to submission to the Commission. (City Attorney).
7. Consider award of RFP #19-03 for Extermination Pest Control Services to Kingsville Pest Control, as per staff recommendation, and authorize staff to negotiate a contract. (Purchasing Manager).
8. Consider introduction of an ordinance amending the Fiscal Year 2018-2019 budget to expend funds for professional services related to landfill permit amendment responses to TCEQ. (Public Works Director).

9. Consider a resolution authorizing the Mayor to enter into a Revised Second Amendment to Tower Attachment Lease Agreement with GTP Acquisition Partners II, LLC. (IT Manager).

**VII. Adjournment.**

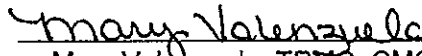
1. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
3. Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action except citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

**NOTICE**

This City of Kingsville and Community Room are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail [mvalenzuela@cityofkingsville.com](mailto:mvalenzuela@cityofkingsville.com) for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 (Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board located at City Hall, 400 West King Ave, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:

February 22, 2019 at 11:00 A.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.

  
\_\_\_\_\_  
Mary Valenzuela, TRMC, CMC, City Secretary  
City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time: \_\_\_\_\_

By: \_\_\_\_\_  
City Secretary's Office  
City of Kingsville, Texas

ATTACHMENT 4  
TCEQ Enforcement Action

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: Texas Commission on Environmental Quality (TCEQ) Enforcement Action

### Background:

As reported in the January agenda memo, STWA was instructed by TCEQ to submit a certification of Order completion and disinfectant residual data through December 31, 2018. The information had to be submitted by January 10, 2019 in the form of a summary letter and DLQOR report. The letter and report were submitted by the required date. Enclosed is the TCEQ letter indicating that STWA has complied with the Order Provisions.

### Analysis:

The letter is proof of compliance with the Order Provisions. However, as mentioned previously, STWA is now operating under a modified Monitoring Plan, including the Nitrification Action Plan and Site Sampling Plan, that requires sampling and monitoring considerably different from the original operations. Staff is confident that field personnel have become familiar with the different sampling points and are now accustomed to thinking of the 42" line and spurline as distribution lines. In addition, the Driscoll Booster Station's daily operation, maintenance and residual sampling has also presented some challenges to staff. Finally, the modified Monitoring Plan has resulted in changes to the typical daily, weekly, and monthly schedules that require more man hours. Ultimately, however, STWA will continue to operate in this manner as part of TCEQ requirements.

### Staff Recommendation:

Staff hopes this is the final memo on this matter.

### Board Action:

Provide feedback to staff and consultants.

### Summarization:

As mentioned above, after almost 40 years of operating the system as transmission lines delivering water to various ground storage facilities having boosted the residual prior to entering the tanks, the modified Monitoring Plan has required a different mind-set.

RECEIVED

FEB 04 2019

SOUTH TEXAS WATER AUTHORITY



Jon Niermann, *Chairman*  
Emily Lindley, *Commissioner*  
Toby Baker, *Executive Director*

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 30, 2019

Ms. Carola Serrato, Executive Director  
South Texas Water Authority  
P.O. Box 1701  
Kingsville, Texas 78364

Re: Notice of Compliance with Commission Order  
South Texas Water Authority now known as South Texas Water Authority Industrial  
Development Corporation; RN102683323  
Docket No. 2011-1647-PWS-E; Enforcement Case No. 42510

Dear Ms. Serrato:

This letter is to inform you that a review of Texas Commission on Environmental Quality records concerning the above-referenced enforcement matter indicates that South Texas Water Authority has fulfilled the requirements of the Commission Order ("Order") effective on November 22, 2016. Specifically, South Texas Water Authority has fulfilled the technical requirements and has paid the administrative penalty assessed in the Order.

Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will remain on the compliance history for this regulated entity for five years from the effective date of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Me at (512) 239-4489.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilbert Angelle".

Gilbert Angelle, Work Leader  
Enforcement Division

ATTACHMENT 5

Bishop Water Supply Contract



## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: City of Bishop - Revised Wholesale Water Supply Contract

### Background:

During the last STWA Board meeting, the Board approved the revised Wholesale Water Supply Contract which was modified to reflect a monthly schedule of purchasing water as compared to STWA's requested weekly schedule and the City's counter offer of a quarterly schedule. However, the Board's approval was contingent on the City approving the License Agreement for the use of the Bishop East Pump Station real estate property. Following the STWA meeting on January 22<sup>nd</sup>, the City approved the Wholesale Water Supply Contract during their Council's January 30<sup>th</sup> meeting but tabled action on the License Agreement. The License Agreement is a separate agenda item for this February 26<sup>th</sup> meeting.

### Analysis:

Since the Board approved the Water Supply Contract contingent on the approval of the License Agreement, the Contract has not been executed and is not in effect.

### Staff Recommendation:

Continue to keep the Board informed on any developments associated with this Contract. The City has not purchased any water (with the exception of minor amounts flushed through the line for sampling purposes) since the beginning of December.

### Board Action:

Provide feedback to staff and legal counsel.

### Summarization:

Staff believes STWA has been clear about the need for a License Agreement.

**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Wednesday, January 23, 2019 10:44 AM  
**To:** gerald benadum  
**Cc:** Carola Serrato (mcserrato@stwa.org); Allison Nix  
**Subject:** City of Bishop - South Texas Water Authority - License Agreement and Water Supply Contract  
**Attachments:** STWA Bishop Water Supply Contract BF Revised Clean Version with Month Usage Schedule bf11619.doc; STWA Bishop West PS schematic Dec 2018-ExA.pdf; STWA City of Bishop Ex B.pdf; STWA City of Bishop Exhibit C 12319.pdf; STWA - City of Bishop LICENSE agrmt BF Redline 12319 showing changes from City Draft of Jan 5 2019.docx

Dear Jerry:

I am writing to advise that the South Texas Water Authority Board of Directors at its meeting last night approved the attached version of the Water Supply Contract with the City of Bishop subject to and contingent upon prior or simultaneous execution of the attached version of the License Agreement.

The License Agreement attached is a redline indicating all changes from the draft provided by the City which was dated January 5, 2019. I understand that Carola Serrato provided a redline draft of the License Agreement to the City Secretary yesterday prior to last night's meeting. The only change from yesterday's redline draft is the addition of a sentence at the end of paragraph IV (B), as requested by the STWA Board of Directors

The attached Water Supply Contract is a revised clean version wherein I attempted to incorporate all changes in the prior version. The only new changes relate to a Monthly Usage Schedule versus a Weekly Usage Schedule. See Section 13 and the new Exhibit "C."

I understand that the City of Bishop will be meeting on January 30, 2019 to discuss these agreements. We look forward to finalizing these agreements with the City at the earliest possible time. Thank you.

Very truly yours,

*Bill Flickinger*

Willatt & Flickinger, PLLC  
Attorneys at Law  
12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738

Phone: (512) 476-6604  
Facsimile: (512) 469-9148

Email: [bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)

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**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Thursday, January 31, 2019 10:11 AM  
**To:** gerald benadum  
**Cc:** Carola Serrato (mcserrato@stwa.org); Allison Nix  
**Subject:** RE: BISHOP / STWA

Dear Jerry:

Carola Serrato attended last night's Bishop City Council meeting. She reported that the City Council approved the proposed Water Supply Contract with STWA with no changes from the last draft. She also reported that consideration of the proposed License Agreement with STWA was tabled to allow time for some minor changes.

I assume that you will be sending the proposed changes to the License Agreement to me for review so that we can finalize and executed both the Water Supply Contract and License Agreement at the same time. Any changes to the License Agreement will require approval of the STWA Board of Directors so we would appreciate receiving those changes from you at the earliest possible time.

Thank you for your help on this project.

Very truly yours,

*Bill Flickinger*

Willatt & Flickinger, PLLC  
Attorneys at Law  
12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738

Phone: (512) 476-6604  
Facsimile: (512) 469-9148

**Email:** [bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)

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**From:** mcserrato@stwa.org  
**Sent:** Tuesday, January 22, 2019 12:24 PM  
**To:** Cynthia Contreras; Tem Miller (mayormiller-bishop@corpus.twcbc.com)  
**Cc:** Bill Flickinger; Kathleen Lowman; Jo Ella Wagner; Frances Rosales; Panfilo "Bom" Flores (bishoppwdirector@corpustwcbc.com)  
**Subject:** STWA Meeting and email addresses

| Tracking: | Recipient   | Read                    |
|-----------|---|-------------------------|
|           | Cynthia Contreras                                       |                         |
|           | Tem Miller (mayormiller-bishop@corpus.twcbc.com)        |                         |
|           | Bill Flickinger   |                         |
|           | Kathleen Lowman   |                         |
|           | Jo Ella Wagner  |                         |
|           | Frances Rosales   |                         |
|           | Panfilo "Bom" Flores (bishoppwdirector@corpustwcbc.com) |                         |
|           | Frances Rosales - Deleon                                | Read: 1/22/2019 2:09 PM |
|           | Joella Wagner   | Read: 1/22/2019 2:32 PM |
|           | Bom   | Read: 1/22/2019 4:46 PM |

Mayor Miller and Cynthia:

I am following up on two (2) items.

Frances reported that the email to Cynthia notifying her about tonight's meeting resulted in an auto reply that you are out until next Monday, Jan 28. Per our joint meeting on Jan 8<sup>th</sup>, the revised wholesale contract, the revised License Agreement and an agenda item on the purchase of the Bishop East PS land are posted subjects for STWA's meeting tonight. It is not clear whether the City will be having any STWA related items on Council agendas this month. Please let me know if there will be any Council meetings and if you would like for me to attend.

Also, I anticipate that there will be information to share after STWA's Board meeting tonight. I am wondering about the email addresses you were going to provide for Council – Mr. Boswell, Ms. Dominguez, Mr. Gaona, Mr. Garza, and Mr. Guajardo.

Thanks,

Carola

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

ATTACHMENT 6

License Agreement – City of Bishop PS Facilities

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: City of Bishop – License Agreement – Bishop East PS Property

### Background:

During the January 22<sup>nd</sup> meeting, the STWA Board approved a revised License Agreement prepared by Mr. Bill Flickinger, Willatt and Flickinger, with the added provision that the City would work with STWA towards the purchase of the real estate which the Bishop East Pump Station is located on.

This approved License Agreement was provided to the City the following day on January 23<sup>rd</sup>. On January 30<sup>th</sup>, the City Council tabled action on the License Agreement. I attended that meeting and although no descriptions of the Council's concerns regarding the offered Agreement were listed, the word "minor" was used to describe the changes. To date, there has not been any communication from any City representative regarding those changes. I have attempted to communicate with the City on this matter. Enclosed is the most recent email correspondence.

### Analysis:

In the last memo on this matter, staff listed a detailed description of the changes made by Mr. Flickinger and/or reasons for rejection of modifications made by Mr. Gerald Benadum, Bishop's legal counsel. In addition, the Board had a detailed discussion about the offered payments to the City for use of the property. However, at this time, without any feedback or response from the City, staff is unable to analyze any provisions or content of the offered Agreement.

### Staff Recommendation:

Keep the Board updated on any developments related to this matter.

### Board Action:

Provide feedback to staff and legal counsel. Determine if any additional communication with the City is warranted.

### Summarization:

In the January 22<sup>nd</sup> memo on this matter, staff stated that the revisions were reasonable. Staff continues to believe that is the case. However, without any feedback from the City on their concerns and therefore their decision to table the matter, staff cannot offer any other viewpoint.

**From:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>  
**Sent:** Wednesday, January 23, 2019 10:44 AM  
**To:** gerald benadum  
**Cc:** Carola Serrato ([mcserrato@stwa.org](mailto:mcserrato@stwa.org)); Allison Nix  
**Subject:** City of Bishop - South Texas Water Authority - License Agreement and Water Supply Contract  
**Attachments:** STWA Bishop Water Supply Contract BF Revised Clean Version with Month Usage Schedule bf11619.doc; STWA Bishop West PS schematic Dec 2018-ExA.pdf; STWA City of Bishop Ex B.pdf; STWA City of Bishop Exhibit C 12319.pdf; STWA - City of Bishop LICENSE agrmt BF Redline 12319 showing changes from City Draft of Jan 5 2019.docx

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I understand that the City of Bishop will be meeting on January 30, 2019 to discuss these agreements. We look forward to finalizing these agreements with the City at the earliest possible time. Thank you.

Very truly yours,

*Bill Flickinger*

Willatt & Flickinger, PLLC  
Attorneys at Law  
12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738

Phone: (512) 476-6604  
Faesimile: (512) 469-9148

**Email:** [bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)

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**LICENSE AGREEMENT**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF NUECES

§

§

The City of Bishop, Texas, a political subdivision of the State of Texas, situated in Nueces County, Texas (the "City"), and South Texas Water Authority (STWA), a governmental agency, conservation and reclamation district and body politic and corporate, having been created under Chapter 436 Acts of the 66<sup>th</sup> Legislature, Regular Session, 1979 of the Laws of the State of Texas, all pursuant to Article XVI, Section 59 of the Texas Constitution (the "Licensee"), hereby enter into this License Agreement (the "Agreement") effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019, upon the terms and conditions set forth below.

**I. PURPOSE OF LICENSE AGREEMENT**

The City, for and in consideration of the terms of this License Agreement does hereby grant to Licensee, and to such of Licensee's employees, officers, invitees, guests, and contractors as are authorized by Licensee to access the Licensed Property, a license to use the property at 333 North Birch Avenue, Bishop, Texas 78343 (the "Licensed Property" as described in section II), only as follows:

For installation, construction, operation, maintenance, repair, replacement or removal of a building housing pumps, two (2) pumps currently not in service and which were previously used to provide water to the City of Bishop, a SCADA system, two small buildings with chlorination and LAS systems and all associated motors, controls, piping, valves, electrical wiring and equipment and other appurtenances (together, the "Licensed Improvements"), as shown on Exhibit A hereto. Licensee represents that it is the owner of all Licensed Improvements.

The City makes this grant solely to the extent of its right, title and interest in the Licensed Property, without express or implied warranties of title

Licensee, in consideration of the privileges herein granted, hereby makes the agreements, representations, and covenants, and agrees to the terms, stated in this License Agreement.

**II. LICENSED PROPERTY**

The Licensed Property is located at 333 North Birch Avenue, Bishop, Texas 78343, includes ---- acres [square feet?] more or less, and is described in the plat as shown in Exhibit B hereto.

Licensee is not granted, and shall not have, any air rights above the Licensed Property, or subterranean rights below the surface of the Licensed Property, beyond that reasonably necessary for the licensed uses specified herein. Licensee's access to the Licensed Property shall be from the adjacent city street.



Licensee is familiar with all characteristics and conditions of the Property and is not relying on any representations for the City with respect to the Property or the suitability of the property for Licensee's purpose. The City does not make, and expressly disclaims, any representation or warranty express or implied that the property is safe or suitable for Licensee's intended purpose or safe or suitable for any other purpose. Licensee shall assume all risks in using the Licensed Property.

### III. FEES

~~INITIAL FEE. Licensee shall pay to the City an initial fee of \$ \_\_\_\_\_ within 15 days after this License is executed by both parties.~~

~~ANNUAL FEES. Licensee shall pay to the City, for the license and permission herein granted to Licensee: An annual fees of \$5,000.00 \_\_\_\_\_ each for the first 5 (five) 3 years of this License, with the first such annual fee due and payable upon execution of this Agreement and each of the 4 (four) subsequent annual fees being due on or before January 15 of each subsequent calendar year. The annual fee shall increase by 6% commencing on the date the payment is due every third year thereafter. The City, its governing body, and its respective successors and assigns acknowledge and agree that an annual fee of \$1.00 shall be assessed for the license and permission herein granted to Licensee. Licensee agrees to pay such annual fee within thirty (30) days of receipt of an invoice for same. After the first 5 calendar years following execution of this Agreement, an annual fee of \$1.00 shall be assessed for the license and permission herein granted to Licensee and Licensee shall pay such annual fees within sixty (60) days of receipt of an invoice from the City for same.~~

### IV. CITY'S RIGHT TO LICENSED PROPERTY

- A. This Agreement is expressly subject and subordinate to the present and future right of the City, its successors, assigns, lessees, grantees, and licensees, to enter upon the Licensed Property for any purpose including, but not limited to, the construction, installation, establishment, repair, maintenance, and/or operation and renewal of any public utilities.
- B. ~~Nothing in this Agreement shall be construed to limit, in any way, the City's ownership interest in the Licensed Property. Licensee agrees and covenants that it has no ownership interest in the Licensed Property, has no right or claim to enter, occupy, or use the Licensed Property except as specifically granted in this License Agreement, and shall make no contrary claim in any legal, equitable, or administrative action or proceeding. The City agrees to work in good faith with Licensee to negotiate Licensee's purchase of the fee simple interest in the Licensed Property on terms agreeable to both parties.~~
- C. The City shall have the right to make connections to, and reasonable use of, the Licensed Improvements for the purpose of accessing the water supply of the Licensee, ~~and the storage facilities of Nueces Water Supply Corporation.~~ The City shall pay all of its own costs and shall reimburse Licensee for all reasonable costs incurred by Licensee as a result of the City's connections and use and for all water used at the same rate as the City pays for water purchased from Licensee under the then current Water Supply Contract between City and STWA. All

connections into Licensee's Improvements shall require preapproval by Licensee, which approval shall not be unreasonably withheld.

## V. INSURANCE

Licensee, shall, at its sole expense, provide a commercial general liability insurance policy, written by a company acceptable to the City and licensed to do business in Texas, with a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. Such insurance coverage shall specifically name the City as an additional insured. This insurance coverage shall cover all perils arising from the activities of Licensee, its officers, directors, employees, agents, guests, invitees, or contractors, relative to this Agreement. Licensee shall be solely responsible for the payment of any deductibles stated in the policy. Proof of each policy affecting such coverage shall be delivered to the City. So long as Licensee is using the Licensed Property, Licensee shall not cause such insurance to be cancelled nor permit such insurance to lapse. All insurance policies and certificates shall provide that the coverage shall not be reduced, restricted, or otherwise limited until ninety (90) days after the City has received written notice thereof as evidenced by a return receipt of registered or certified mail. The limits of such coverage shall be increased from time to time in amounts reasonable to reflect the then prevailing risks and prevailing liability costs and awards.

## VI. INDEMNIFICATION

To the extent permitted by Texas law, Licensee shall indemnify, defend, and hold harmless the City and its officers, agents, and employees against any and all claims, suits, demands, judgments, and expenses, including attorney's fees, including, but not limited to, liability for personal injury, death or damage to any person or property which is alleged to be caused by Licensee's actions and inactions in installing, constructing, operating, maintaining, repairing, replacing, and/or removing the Licensed Improvements on the Licensed Property, or any other manner while occupying or using the Licensed Property. This indemnification provision, however, shall not apply to any claims, suits, damages, costs, losses or expenses (i) for which the City shall have been, ~~or is entitled to be, or is entitled to be~~ compensated by insurance provided under Article IV above, or (ii) which are proximately caused by the sole negligent or willful acts of the City, its agents, employees, or contractors; provided, however, that for the purposes of the foregoing, the City's act of entering into this Agreement shall not be deemed to be a "negligent or willful act."

## VII. CONDITIONS

- A. Licensee's Responsibilities. Licensee, at Licensee's sole cost and expense, shall be responsible for the installation, construction, operation, maintenance, repair, replacement, and removal of the Licensed Improvements and for any costs arising therefrom, including but not limited to relocation of Licensed Improvements. ~~Further, in the event Licensee fails to maintain, repair or remove damaged Licensed Improvements (if beyond maintenance or repair), the City shall have, as a non-exclusive remedy, the right to do so and Licensee shall reimburse the City within ninety (90) days of written demand for all reasonable costs of maintaining, replacing, repairing, removing, or relocating any Licensed Improvements.~~ NOTE: SEE SECTION VII D BELOW FOR NOTICE

~~AND REIMBURSEMENT IN THE EVENT OF DEFAULT. THAT IS WHY THE FOREGOING SENTENCE WAS DELETED.~~ Notwithstanding the foregoing, no repairs or replacements will be made with respect to the pumps previously used to serve the City without payment of the costs thereof by the City.

- B. Maintenance. Licensee expressly agrees to maintain the Licensed Property in a clean, safe, and good condition at Licensee's sole cost and expense for the duration of the license. Licensee shall keep the Licensed Property fenced and secured as may be reasonably necessary for the protection of the improvements and properties and for the protection of the public.
- C. Modification. Licensee agrees that the modification of any improvements on the Licensed Property must be approved in writing by the City prior to any such modification.
- D. Default. In the event that Licensee fails to maintain the Licensed Property or otherwise comply with the terms or conditions as set forth herein, then the City shall ~~may~~ give Licensee written notice thereof, by registered or certified mail, return receipt requested to the address set forth below. Licensee shall have ~~ninety (90) thirty (30)~~ days from the date of receipt of such notice to remedy the failure complained of and, if Licensee does not satisfactorily remedy the same within the ~~ninety-day thirty-day period following receipt of the notice described in the paragraph;~~ the City may perform the work or contract for the completion of the work. In such event, Licensee agrees to pay within ~~sixty (60) thirty (30)~~ days of written demand for payment by the City, all costs and expenses incurred by the City in completing the work.

#### VIII. TERM

This Agreement shall become effective on the date set forth in the introductory paragraph of this Agreement, and the License shall continue thereafter for so long as the Licensee uses the Licensed Property for the purposes set forth herein, or unless otherwise terminated in accordance with Article VIII.

#### IX. TERMINATION

- A. Termination by Abandonment. If Licensee abandons the use of all or any part of the Licensed Property for such purposes set forth in this Agreement, this Agreement as to such portion or portions abandoned, shall expire and terminate following thirty (30) days' written notice to the Licensee. The City shall thereafter have the right to enter the Licensed Property and any rights of the Licensee shall be terminated as of the date of the abandonment. ~~Abandonment of any substantial portion may be treated by the City as a total abandonment.~~ If Licensee fails to remove one or more items of any of ~~the~~s Licensed Improvements or its equipment~~property~~, the City may elect to remove all or part of such ~~items~~property at Licensee's expense, or may elect for all or part of such ~~items~~property to ~~All installations of Licensee not removed shall be deemed owned property of by~~ the City as of the time abandoned, and all ~~actual~~ such direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within ~~sixty (60) thirty (30)~~ days of receipt of the City's statement demanding payment. ~~The City may deem a facility or any portion of the Licensed Property or any part of the Licensed Property or other property of Licensee to be abandoned if Licensee has apparently abandoned it, has not made use of it for 365+20 days,~~

and has failed to maintain it in a useable condition for 365+20 days, or has taken any other action that evidences an intent not to maintain the facility. Notwithstanding the provisions of this paragraph, a failure to use or maintain any of the following facilities shall not be deemed an abandonment: The two (2) pumps previously used to provide water service to the City, an abandoned chlorine portable building, yard piping connecting into the City's distribution system, a pressure reduction valve on the yard piping and associated valves and controls and any other buildings, facilities or equipment previously used to provide water service to the City or previously used by the City to provide water services to its customers.

- B. Termination by the Licensee. This Agreement may be terminated by the Licensee by delivering written notice of termination to the City not later than ninety (90) thirty (30) days before the effective date of the termination stated in the notice. If the Licensee so terminates, then Licensee shall remove the Licensed Improvements installed by the Licensee and any other equipmentproperty of Licensee. In the event the Licensee fails to remove all or part of such Licensed Improvements or equipmentproperty on or before the effective date of such termination, the City may elect to remove all or part of such itemsproperty at Licensee's expense, or may elect for all or part of such itemsproperty to be retained by the City, and all such actual direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) thirty (30) days of receipt of the City's statement demanding payment.
- C. Termination by the City. This Agreement may be terminated by the City, with or without cause, by delivering written notice of termination to the Licensee not later than five years thirty (30) days before the effective date of the termination stated in the notice. If the City so terminates, then the Licensee shall remove the Licensed Improvements installed by the Licensee by the effective date of termination stated in the City's notice. In the event the Licensee fails to remove such Licensed Improvements and any other equipmentproperty of Licensee on or before such expiration date, the expiration of three (3) years after the effective date of such termination, the City may elect to remove all or any part of such itemsproperty at Licensee's expense, or may elect for all or any part of such itemsproperty to be retained by the City, and all such actual direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) thirty (30) days of receipt of the City's statement.
- D. Licensee shall continue to be liable to the City for the annual license fees until all of Licensee's property has been removed and the site restored in accordance with subsection E, below, prorated to the date the removal is completed.
- E. Upon any termination, Licensee's obligation to remove its property shall include an obligation to remove all foundations and other subsurface objects, and Licensee shall restore the surface of the Property to a level, sodded surface in good health compatible with the City's adjacent park property. Notwithstanding the foregoing, Licensee shall not be required to remove any underground water pipes, valves or other appurtenances that will continue to be used to provide water service to its customers.

## X. LEGAL ACTIONS

- A. Application of Law; Entire Agreement; Severability. This Agreement shall be governed by the laws of the State of Texas. This Agreement embodies the complete agreement of the parties hereto, superseding all prior oral and written agreements between the parties with respect to the subject matter in this Agreement. If the final judgment of a court of competent jurisdiction invalidates any part of this Agreement, then the remaining parts shall be enforced, to the extent possible, consistent with the intent of the parties as evidenced by this Agreement.
- B. Venue. Exclusive venue for all claims and lawsuits arising from or concerning this Agreement shall be in a State court sitting in Nueces County Texas.
- C. Mediation. If a dispute or claim arises between the parties relating to this Agreement or the performance of the parties hereto, the parties agree to use the following dispute resolution procedures, prior to filing suit:
- (1) Either party may give notice that a dispute or claim exists and request that these procedures be commenced. A meeting then shall be held promptly between the parties to attempt in good faith to negotiate a resolution of the dispute or claim.
  - (2) If, within 10 days after such meeting, the parties have not reached agreement on a resolution, either party may demand that the dispute or claim be submitted for non-binding mediation, and both parties shall participate in good faith in the mediation procedures to attempt to negotiate a resolution.
  - (3) Each party to the dispute shall bear an equal portion of any fees and expenses charged by the mediator.
  - (4) Each party shall bear its own attorney's fees and other costs and expenses incurred in connection with any meditation or other dispute resolution proceeding.
  - (5) All proceedings shall be held in Nueces County, unless agreed otherwise by both parties.

## XI. COVENANT RUNNING WITH THE LAND: WAIVER OF DEFAULT

This License Agreement and all of the covenants herein shall run with the land; therefore, the conditions set forth herein shall inure to and bind each party's successors and assigns. Either party may waive any default of the other at any time, without affecting or impairing any right arising from any subsequent or other default.

## XII. ASSIGNMENT

Licensee shall not assign, sublet or transfer its interest in this Agreement without the prior written consent of the City.

## XIII. NOTICES

All notices, demands and requests for delivery of documents or information hereunder shall be in writing and shall be deemed to have been properly delivered and received as of the time of delivery if personally delivered, as of the date and time deposited in the mail system if sent by United States certified mail, return receipt requested, and postage paid, or as of the time of delivery by Federal Express (or comparable express delivery system) if sent by such method with all costs prepaid. All notices, demands, and requests shall be addressed:

To Licensee at: South Texas Water Authority  
Attn: Executive Director  
P.O. Box 1701  
Kingsville, Texas 78364  
[email address]

To City at: City of Bishop  
Attn: City Secretary  
203 E. Main Street  
Bishop, Texas 78343  
[email address]

Or to such other address which either party may so designate by sending notice as aforesaid.  
~~Notices may also be served by email to the addresses as listed above or by other commonly used electronic message system if the system creates a record of the transmission and receipt of the message.~~

## XIV. EXECUTION IN COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be construed as one of the same instrument. ~~Each Counterpart shall be clearly labelled as such; for example, "Counterpart One of Two".~~

TERMS AND CONDITIONS ACCEPTED this the \_\_\_\_\_ day of \_\_\_\_\_, 20198.

CITY:

City of Bishop

\_\_\_\_\_  
Tem Miller, Mayor

ATTEST:

\_\_\_\_\_  
Cynthia L. Contreras, City Secretary

[CITY'S SEAL]

LICENSEE:

South Texas Water Authority

\_\_\_\_\_  
Kathleen Lowman, President, Board of Directors

ATTEST:

\_\_\_\_\_  
Rudy Galvan, Secretary, Board of Directors

[AUTHORITY'S SEAL]

ACKNOWLEDGMENTS

STATE OF TEXAS                   §  
  §  
COUNTY OF NUECES           §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20198, by Tem Miller, the Mayor of the City of Bishop, Texas, a political subdivision of the State of Texas, on behalf of said city.

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF TEXAS                   §  
  §  
COUNTY OF \_\_\_\_\_       §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20198, by Kathleen Lowman, the Board President of South Texas Water Authority, a governmental agency, conservation and reclamation district and body politic and corporate, on behalf of said authority.

\_\_\_\_\_  
Notary Public in and for the State of Texas



**From:** mcserrato@stwa.org  
**Sent:** Monday, February 11, 2019 2:05 PM  
**To:** Cynthia Contreras  
**Cc:** Gerald Benadum; 'Alberto Ruiz'; Brandon Barrera (brandon.barrera2015@yahoo.com); 'Filiberto Trevino (ftrevinoiii@gmail.com)'; 'Kathleen Lowman'; 'Lupita Perez'; 'Patsy Rodgers'; 'Rudy Galvan'; 'Steven C. Vaughn'; Albert Guajardo (albertg@corpus.twcbc.com); Bill Boswell (billb@corpus.twcbc.com); Janie Dominguez (janied@corpus.twcbc.com); Nathan Garza (nathang@corpus.twcbc.com); Robert Gaona (robertg@corpus.twcbc.com); Tem Miller (mayormiller-bishop@corpus.twcbc.com); 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'  
**Subject:** FW: BISHOP / STWA

| Tracking: | Recipient  | Read                    |
|-----------|--|-------------------------|
|           | Cynthia Contreras                                |                         |
|           | Gerald Benadum                                   |                         |
|           | 'Alberto Ruiz'                                   |                         |
|           | Brandon Barrera (brandon.barrera2015@yahoo.com)  |                         |
|           | 'Filiberto Trevino (ftrevinoiii@gmail.com)'      |                         |
|           | 'Kathleen Lowman'                                |                         |
|           | 'Lupita Perez'                                   |                         |
|           | 'Patsy Rodgers'                                  |                         |
|           | 'Rudy Galvan'                                    |                         |
|           | 'Steven C. Vaughn'                               |                         |
|           | Albert Guajardo (albertg@corpus.twcbc.com)       |                         |
|           | Bill Boswell (billb@corpus.twcbc.com)            |                         |
|           | Janie Dominguez (janied@corpus.twcbc.com)        |                         |
|           | Nathan Garza (nathang@corpus.twcbc.com)          |                         |
|           | Robert Gaona (robertg@corpus.twcbc.com)          |                         |
|           | Tem Miller (mayormiller-bishop@corpus.twcbc.com) |                         |
|           | 'Dony Cantu (dcantu@stwa.org)'                   |                         |
|           | 'Frances Rosales'                                |                         |
|           | 'Jacob Hinojosa'                                 |                         |
|           | 'Jo Ella Wagner'                                 |                         |
|           | Frances Rosales - Deleon                         | Read: 2/11/2019 2:40 PM |
|           | Jacob Hinojosa                                   | Read: 2/15/2019 9:17 AM |

Good Afternoon Cynthia,

I am following up on our brief Friday (February 8) telephone conversation. I asked about the anticipated feedback on the License Agreement considered by Council on January 30<sup>th</sup>. During this conversation, you indicated that you would contact Mayor Tem Miller and Mr. Gerald Benadum, City legal counsel, about providing a response or details pertaining to the document. However, you also indicated that the items of concern were all of the changes made by STWA.

This statement is contrary to my impression and recollection from the January 30<sup>th</sup> Council meeting which mentioned "minor" changes that would be provided. This understanding is consistent with your email the day after the Council meeting (Thursday, January 31<sup>st</sup>) in which you indicated (see below) getting the information to STWA by that afternoon. However, by the following Monday, February 4<sup>th</sup>, the information had not been received – resulting in my February 4<sup>th</sup> email (also below). By this past Friday, February 8<sup>th</sup>, I had not received a response to the February 4<sup>th</sup> email – hence my telephone call.

I have taken the liberty of copying Mayor Miller, Bishop City Council members and Mr. Benadum on this email. A previous email (see below) indicated that STWA staff was willing to poll the STWA Board to schedule a special meeting. However if there are major – rather than minor – changes to the License Agreement, a special meeting would not be possible. As such, it appears the STWA Board meeting on Tuesday, February 26<sup>th</sup>, would be the earliest date for consideration of a revised License Agreement provided by the City. In addition, again based on the changes being more than minor, STWA legal counsel and staff would need sufficient time for review and therefore request that the information be made available by this Friday, February 15<sup>th</sup>, in order for the item to be part of the February 26<sup>th</sup> agenda.

Please contact me if you have any questions.

Have a good evening,

Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701  
Kingsville, Texas 78364  
361-592-9323 x112

**From:** mcgserrato@stwa.org <mcgserrato@stwa.org>  
**Sent:** Monday, February 4, 2019 12:16 PM  
**To:** 'bishopcitysecretary@corpus.twcbc.com' <bishopcitysecretary@corpus.twcbc.com>  
**Cc:** Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>  
**Subject:** RE: BISHOP / STWA

Good Morning Cynthia,

Just a quick follow-up to your email from Thursday – any word on the suggested changes? As suggested below, we can poll the Board about a special meeting.

Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701  
Kingsville, Texas 78364  
361-592-9323 x112

**From:** [bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com) <[bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com)>  
**Sent:** Thursday, January 31, 2019 10:58 AM  
**To:** [mcgserrato@stwa.org](mailto:mcgserrato@stwa.org); gerald benadum <[glbenadum@att.net](mailto:glbenadum@att.net)>  
**Cc:** 'Tem Miller' <[mayormiller-bishop@corpus.twcbc.com](mailto:mayormiller-bishop@corpus.twcbc.com)>; 'Albert Guajardo' <[albertg@corpus.twcbc.com](mailto:albertg@corpus.twcbc.com)>; 'Robert Gaona' <[robertg@corpus.twcbc.com](mailto:robertg@corpus.twcbc.com)>; 'Nathan Garza' <[nathang@corpus.twcbc.com](mailto:nathang@corpus.twcbc.com)>; 'Janie Dominguez' <[janied@corpus.twcbc.com](mailto:janied@corpus.twcbc.com)>; 'Bill Boswell' <[billb@corpus.twcbc.com](mailto:billb@corpus.twcbc.com)>; 'Bill Flickinger' <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; 'Dony Cantu' <[dcantu@stwa.org](mailto:dcantu@stwa.org)>; 'Frances Rosales' <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; 'Jacob Hinojosa' <[jhinojosa@stwa.org](mailto:jhinojosa@stwa.org)>; 'Jo Ella Wagner' <[jwagner@stwa.org](mailto:jwagner@stwa.org)>  
**Subject:** RE: BISHOP / STWA  
**Importance:** High

Good Morning Carola,

I will try and get back with you this afternoon with the suggested changes.

Respectfully,

Cynthia L. Contreras  
City Secretary

City of Bishop  
PO Box 356  
Bishop, Texas 78343  
Phone: (361) 584-2567 ext. 106  
Fax: (361) 584-3253  
[bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com)

**From:** [mogserrato@stwa.org](mailto:mogserrato@stwa.org) <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>  
**Sent:** Thursday, January 31, 2019 10:33 AM  
**To:** Cynthia Contreras <[bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com)>  
**Cc:** Tem Miller <[mayormiller-bishop@corpus.twcbc.com](mailto:mayormiller-bishop@corpus.twcbc.com)>; Albert Guajardo <[albertg@corpus.twcbc.com](mailto:albertg@corpus.twcbc.com)>; Robert Gaona <[robertg@corpus.twcbc.com](mailto:robertg@corpus.twcbc.com)>; Nathan Garza <[nathang@corpus.twcbc.com](mailto:nathang@corpus.twcbc.com)>; Janie Dominguez <[janied@corpus.twcbc.com](mailto:janied@corpus.twcbc.com)>; Bill Boswell <[billb@corpus.twcbc.com](mailto:billb@corpus.twcbc.com)>; Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; 'Dony Cantu' <[dcantu@stwa.org](mailto:dcantu@stwa.org)>; 'Frances Rosales' <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; 'Jacob Hinojosa' <[jhinojosa@stwa.org](mailto:jhinojosa@stwa.org)>; 'Jo Ella Wagner' <[jwagner@stwa.org](mailto:jwagner@stwa.org)>  
**Subject:** FW: BISHOP / STWA

Good Morning Cynthia,

Please see the email below from Mr. Flickinger to Mr. Benadum.

FYI, the STWA Board is scheduled to meet on February 26<sup>th</sup>. Depending on the timing of Mr. Benadum's response, STWA staff is willing to poll the STWA Board about an earlier special meeting if the City's requested minor changes are acceptable to Mr. Flickinger.

Please let me know when the City Council will be meeting again in order to place it on my calendar.

Thank-you and have a good day,

Carola

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

**From:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>  
**Sent:** Thursday, January 31, 2019 10:11 AM  
**To:** gerald benadum <[gbenadum@att.net](mailto:gbenadum@att.net)>  
**Cc:** Carola Serrato ([mogserrato@stwa.org](mailto:mogserrato@stwa.org)) <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>; Allison Nix <[anix@wfaustin.com](mailto:anix@wfaustin.com)>  
**Subject:** RE: BISHOP / STWA

Dear Jerry:

Carola Serrato attended last night's Bishop City Council meeting. She reported that the City Council approved the proposed Water Supply Contract with STWA with no changes from the last draft. She also reported that consideration of the proposed License Agreement with STWA was tabled to allow time for some minor changes.

I assume that you will be sending the proposed changes to the License Agreement to me for review so that we can finalize and executed both the Water Supply Contract and License Agreement at the same time. Any changes to the License

Agreement will require approval of the STWA Board of Directors so we would appreciate receiving those changes from you at the earliest possible time.

Thank you for your help on this project.

Very truly yours,

*Bill Flickinger*

Willatt & Flickinger, PLLC  
Attorneys at Law  
12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738

Phone: (512) 476-6604  
Facsimile: (512) 469-9148

**Email:** [bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)

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**From:** mcserrato@stwa.org  
**Sent:** Wednesday, January 23, 2019 11:30 AM  
**To:** Cynthia Contreras  
**Cc:** Bill Flickinger; 'Alberto Ruiz'; Brandon Barrera (brandon.barrera2015@yahoo.com); 'Filiberto Trevino (ftrevinoiii@gmail.com)'; 'Kathleen Lowman'; 'Lupita Perez'; 'Patsy Rodgers'; 'Rudy Galvan'; 'Steven C. Vaughn'; Albert Guajardo (albertg@corpus.twcbc.com); Bill Boswell (billb@corpus.twcbc.com); Janie Dominguez (janied@corpus.twcbc.com); Nathan Garza (nathang@corpus.twcbc.com); Robert Gaona (robertg@corpus.twcbc.com); Tem Miller (mayormiller-bishop@corpus.twcbc.com); 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'  
**Subject:** FW: City of Bishop - South Texas Water Authority - License Agreement and Water Supply Contract  
**Attachments:** STWA Bishop Water Supply Contract BF Revised Clean Version with Month Usage Schedule bf11619.doc; STWA Bishop West PS schematic Dec 2018-ExA.pdf; STWA City of Bishop Ex B.pdf; STWA City of Bishop Exhibit C 12319.pdf; STWA - City of Bishop LICENSE agrmt BF Redline 12319 showing changes from City Draft of Jan 5 2019.docx

**Tracking:**

| Recipient  | Read                     |
|--|--------------------------|
| Cynthia Contreras                                |                          |
| Bill Flickinger                                  |                          |
| 'Alberto Ruiz'                                   |                          |
| Brandon Barrera (brandon.barrera2015@yahoo.com)  |                          |
| 'Filiberto Trevino (ftrevinoiii@gmail.com)'      |                          |
| 'Kathleen Lowman'                                |                          |
| 'Lupita Perez'                                   |                          |
| 'Patsy Rodgers'                                  |                          |
| 'Rudy Galvan'                                    |                          |
| 'Steven C. Vaughn'                               |                          |
| Albert Guajardo (albertg@corpus.twcbc.com)       |                          |
| Bill Boswell (billb@corpus.twcbc.com)            |                          |
| Janie Dominguez (janied@corpus.twcbc.com)        |                          |
| Nathan Garza (nathang@corpus.twcbc.com)          |                          |
| Robert Gaona (robertg@corpus.twcbc.com)          |                          |
| Tem Miller (mayormiller-bishop@corpus.twcbc.com) |                          |
| 'Dony Cantu (dcantu@stwa.org)'                   |                          |
| 'Frances Rosales'                                |                          |
| 'Jacob Hinojosa'                                 |                          |
| 'Jo Ella Wagner'                                 |                          |
| Frances Rosales - Deleon                         | Read: 1/23/2019 1:08 PM  |
| Jacob Hinojosa                                   | Read: 1/23/2019 3:56 PM  |
| Dony Cantu                                       | Read: 1/29/2019 10:02 AM |

Good Morning Cynthia,

Please see below. STWA's attorney, Bill Flickinger, has contacted Mr. Benadum regarding the actions of the STWA Board during last night's meeting. As you can see, the Board approved the Water Supply Contract with a monthly purchase schedule, which is attached as a pdf file entitled STWA City of Bishop Exhibit C. That is the only change from the previous Water Supply Contract with a weekly schedule. It is important to note that the approval, as stated below, is contingent on the execution of the License Agreement, prior to or simultaneously with the Water Supply Contract.

Although not mentioned in Mr. Flickinger's email, I want to take this opportunity to let you know that Mr. Flickinger has also been working on revising the License Agreement between the City and NWSC.

Regarding the License Agreement provided yesterday with my email yesterday, the revised document was reviewed by the Board. The attached License Agreement is different from yesterday's document since there is an added sentence in Section IV.B. on page 2. After the Board reviewed the revised document including the initial Fees section which was a topic of discussion during the joint January 8<sup>th</sup> meeting, the Board specifically instructed that the following sentence be added:

*The City agrees to work in good faith with Licensee to negotiate Licensee's purchase of the fee simple interest in the Licensed Property on terms agreeable to both parties.*

As mentioned in yesterday's email, I would be happy to attend the Council's meeting on January 30<sup>th</sup>.

Have a good day,  
Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701  
Kingsville, Texas 78364  
361-592-9323 x112

**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Wednesday, January 23, 2019 10:44 AM  
**To:** gerald benadum <glbenadum@att.net>  
**Cc:** Carola Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Allison Nix <anix@wfaustin.com>  
**Subject:** City of Bishop - South Texas Water Authority - License Agreement and Water Supply Contract

Dear Jerry:

I am writing to advise that the South Texas Water Authority Board of Directors at its meeting last night approved the attached version of the Water Supply Contract with the City of Bishop subject to and contingent upon prior or simultaneous execution of the attached version of the License Agreement.

The License Agreement attached is a redline indicating all changes from the draft provided by the City which was dated January 5, 2019. I understand that Carola Serrato provided a redline draft of the License Agreement to the City Secretary yesterday prior to last night's meeting. The only change from yesterday's redline draft is the addition of a sentence at the end of paragraph IV (B), as requested by the STWA Board of Directors

The attached Water Supply Contract is a revised clean version wherein I attempted to incorporate all changes in the prior version. The only new changes relate to a Monthly Usage Schedule versus a Weekly Usage Schedule. See Section 13 and the new Exhibit "C."

I understand that the City of Bishop will be meeting on January 30, 2019 to discuss these agreements. We look forward to finalizing these agreements with the City at the earliest possible time. Thank you.

Very truly yours,

*Bill Flickinger*

Willatt & Flickinger, PLLC  
Attorneys at Law  
12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738

Phone: (512) 476-6604  
Facsimile: (512) 469-9148

**Email:** [bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)

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**From:** mcserrato@stwa.org  
**Sent:** Tuesday, January 22, 2019 12:24 PM  
**To:** Cynthia Contreras; Tem Miller (mayormiller-bishop@corpus.twcbc.com)  
**Cc:** Bill Flickinger; Kathleen Lowman; Jo Ella Wagner; Frances Rosales; Panfilo "Bom" Flores (bishoppwdirector@corpustwcbc.com)  
**Subject:** STWA Meeting and email addresses

| Tracking: | Recipient   | Read                    |
|-----------|---|-------------------------|
|           | Cynthia Contreras                                       |                         |
|           | Tem Miller (mayormiller-bishop@corpus.twcbc.com)        |                         |
|           | Bill Flickinger   |                         |
|           | Kathleen Lowman   |                         |
|           | Jo Ella Wagner  |                         |
|           | Frances Rosales   |                         |
|           | Panfilo "Bom" Flores (bishoppwdirector@corpustwcbc.com) |                         |
|           | Frances Rosales - Deleon                                | Read: 1/22/2019 2:09 PM |
|           | Joella Wagner   | Read: 1/22/2019 2:32 PM |
|           | Bom   | Read: 1/22/2019 4:46 PM |

Mayor Miller and Cynthia:

I am following up on two (2) items.

Frances reported that the email to Cynthia notifying her about tonight's meeting resulted in an auto reply that you are out until next Monday, Jan 28. Per our joint meeting on Jan 8<sup>th</sup>, the revised wholesale contract, the revised License Agreement and an agenda item on the purchase of the Bishop East PS land are posted subjects for STWA's meeting tonight. It is not clear whether the City will be having any STWA related items on Council agendas this month. Please let me know if there will be any Council meetings and if you would like for me to attend.

Also, I anticipate that there will be information to share after STWA's Board meeting tonight. I am wondering about the email addresses you were going to provide for Council – Mr. Boswell, Ms. Dominguez, Mr. Gaona, Mr. Garza, and Mr. Guajardo.

Thanks,

Carola

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



**From:** mcserrato@stwa.org  
**Sent:** Tuesday, January 22, 2019 3:31 PM  
**To:** Cynthia Contreras  
**Cc:** Bill Flickinger; Tem Miller (mayormiller-bishop@corpus.twcabc.com); 'Alberto Ruiz'; Brandon Barrera (brandon.barrera2015@yahoo.com); 'Filiberto Trevino (ftrevinoiii@gmail.com)'; 'Kathleen Lowman'; 'Lupita Perez'; 'Patsy Rodgers'; 'Rudy Galvan'; 'Steven C. Vaughn'; 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'  
**Subject:** Redline License Agreement  
**Attachments:** STWA - City of Bishop LICENSE agrmt BF Redline 11819 showing changes from City Draft of Jan 5 2019.docx

Cynthia,

Per your request during our conversation a few minutes ago, attached is the redline version of the License Agreement that was in the agenda packet. However, as you are aware, the STWA Board is meeting at 5:30 pm today. Depending on the Board's action and instructions, additional information should be available in the next day or so either directly from me or from Bill Flickinger.

BTW, regarding your emails to Jo Ella, Frances and me that bounced back, Frances will contact Interconnect and inquire. But, we have been receiving emails from other contacts.

If possible, could you instead fax the email addresses of the Council Members? The number is still 361-592-5965.

Finally, I have placed the Bishop Council Meeting for January 30 at 5 pm on my calendar.

Thanks,

Carola

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

ATTACHMENT 7

Real Property Purchase – Bishop PS Facilities

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: City of Bishop – Bishop East PS – Real Estate Purchase

### Background:

In the offered License Agreement, a provision was added which states that the City will work with STWA towards the purchase of the real estate where the Bishop East Pump Station is located. During the January 22<sup>nd</sup> meeting, the Board reviewed information pertaining to the City Park's deed history as well as information from the Texas Parks and Wildlife Department (TPWD) on a possible conversion that would be necessary as it pertains to the construction of the smaller replacement tank.

### Analysis:

According to Mr. Dan Reece, TPWD, the conversion process can be a lengthy process. However, at this time, without the City's approval of the License Agreement, staff cannot recommend proceeding with any steps outlined in the TPWD guidelines or the typical steps in purchasing real estate.

### Staff Recommendation:

Keep this item as a possible course of action while awaiting the City's feedback on the License Agreement.

### Board Action:

Determine whether to proceed with any action on the purchase of the real estate.

### Summarization:

As stated previously, staff's opinion is that purchase of the property is a better long-term solution as compared to the License Agreement.

ATTACHMENT 8

Driscoll Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: City of Driscoll – 20-Year Wholesale Water Supply Contract

Background:

In the January Board meeting memo, I reported that I spoke with Mr. John Valls, Interim City Administrator, and he informed me that Mark Gonzalez would be sworn in as the new mayor. However, since Mr. Gonzalez previously served as a councilman, a new vacancy would be created on the City's three-member council. Enclosed is an email to Mr. Valls inquiring about a timeline for the next election as well as making an offer to meet and discuss the offered contract.

Analysis:

Staff did not hear from Mr. Valls after our last telephone conversation. Staff and legal counsel believe that it would be beneficial to meet with City representatives to review the contract and discuss any concerns the City may have.

Staff Recommendation:

As before, staff will keep the Board updated on this matter and continue to contact the City to arrange a meeting with legal counsel and City representatives.

Board Action:

Provide feedback to staff and legal counsel.

Summarization:

Staff believes continuing to contact the City demonstrates that STWA is making a good faith effort to engage in contract negotiations which has a direct bearing on the Incremental Fees paid by the City each month.

**From:** mcserrato@stwa.org  
**Sent:** Tuesday, February 19, 2019 11:14 AM  
**To:** 'John Valls'  
**Cc:** Bill Flickinger  
**Subject:** RE: City of Driscoll - STWA Water Supply Contract

Good Morning John,

Just a quick follow-up to our telephone call after Driscoll's recent election. My recollection is that the City will be having another election to fill the vacancy created when Councilman Gonzalez was elected to the Mayor's position. Do you have a timeline for the next election?

STWA would still like to meet with City representatives to review the offered Wholesale Water Supply Contract. As mentioned previously, we believe the process used in negotiating a contract with the City of Kingsville worked very well by meeting several times with City representatives including Kingsville's City Attorney and STWA's legal counsel.

I look forward to hearing from you.

Thanks and have a great day,

Carola

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

**From:** John Valls <jvalls@cityofdriscoll.com>  
**Sent:** Tuesday, November 20, 2018 10:44 AM  
**To:** mcserrato@stwa.org  
**Subject:** Re: City of Driscoll - STWA Water Supply Contract

Carola,

I apologize for the delay as it was my hope to have this addressed in November, however, the council does not want to address this issue until the election for a new mayor has concluded at the middle of the month.

I'll be back in touch once that matter is resolved.

Regards and best wishes for a happy Thanksgiving.

John

---

**From:** [mcserrato@stwa.org](mailto:mcserrato@stwa.org) <[mcserrato@stwa.org](mailto:mcserrato@stwa.org)>  
**Sent:** Tuesday, November 20, 2018 10:27:34 AM  
**To:** John Valls  
**Cc:** Jo Ella Wagner; Frances Rosales; Bill Flickinger  
**Subject:** FW: City of Driscoll - STWA Water Supply Contract

Good Morning John,

I left a voice message for you at the 387-3011 extension 4 number. We are in the process of preparing the STWA Board Agenda and Packet for the December 4<sup>th</sup> meeting. I will be out of the office most of next week and was hoping to get a head start.

Do you have any information on the City Council's upcoming schedule? As mentioned previously, STWA's legal counsel and I would like to meet with City representatives to review the contract and address any concerns the City may have.

Looking forward to hearing from you,

Carola

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

**From:** [mcserrato@stwa.org](mailto:mcserrato@stwa.org) <[mcserrato@stwa.org](mailto:mcserrato@stwa.org)>  
**Sent:** Monday, October 15, 2018 10:58 AM  
**To:** John Valls ([jvalls@cityofdriscoll.com](mailto:jvalls@cityofdriscoll.com)) <[jvalls@cityofdriscoll.com](mailto:jvalls@cityofdriscoll.com)>  
**Cc:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; 'Dony Cantu ([dcantu@stwa.org](mailto:dcantu@stwa.org))' <[dcantu@stwa.org](mailto:dcantu@stwa.org)>; 'Frances Rosales' <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; 'Jacob Hinojosa' <[jhinojosa@stwa.org](mailto:jhinojosa@stwa.org)>; 'Jo Ella Wagner' <[jwagner@stwa.org](mailto:jwagner@stwa.org)>  
**Subject:** FW: City of Driscoll - STWA Water Supply Contract  
**Importance:** High

Good Morning John,

Just a quick follow-up on the Driscoll City Council's schedule and the Driscoll – STWA Wholesale Water Supply Contract.

On September 28<sup>th</sup>, when we met on a TxDOT matter, you indicated that the City's Council's anticipated October 3<sup>rd</sup> meeting had to be rescheduled. You thought the meeting could possibly occur during the week of October 8<sup>th</sup> and, if so, the Council would be reviewing the contract on a preliminary basis only.

As stated previously, STWA's legal counsel and I would like to meet with City representatives to review any areas of concern for the City. If the Council would like us to attend an upcoming meeting, please let us know and we will endeavor to attend.

As an FYI, the STWA Board is scheduled to meet next Tuesday, October 22<sup>nd</sup> at 5:30 p.m. in the STWA conference room. This matter will be an agenda item.

Thanks and have a good day,

Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701  
Kingsville, Texas 78364  
361-592-9323 x112

**From:** [mogserrato@stwa.org](mailto:mogserrato@stwa.org) <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>  
**Sent:** Wednesday, September 5, 2018 10:44 AM  
**To:** John Valls ([jvalls@cityofdriscoll.com](mailto:jvalls@cityofdriscoll.com)) <[jvalls@cityofdriscoll.com](mailto:jvalls@cityofdriscoll.com)>  
**Cc:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; 'Dony Cantu ([dcantu@stwa.org](mailto:dcantu@stwa.org))' <[dcantu@stwa.org](mailto:dcantu@stwa.org)>; 'Frances Rosales' <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; 'Jacob Hinojosa' <[jhinojosa@stwa.org](mailto:jhinojosa@stwa.org)>; 'Jo Ella Wagner' <[jwagner@stwa.org](mailto:jwagner@stwa.org)>  
**Subject:** FW: City of Driscoll - STWA Water Supply Contract  
**Importance:** High

Good Morning John,

Just a quick follow-up on the email below. The STWA Board met yesterday. I reported that I would continue to touch base with you about a meeting between Driscoll representatives and STWA. STWA's legal counsel, Bill Flickinger, and I met several times with City of Kingsville representatives including the City Attorney prior to that contract being executed. We believe this would be very helpful in advancing this matter.

Please let me know if you need any additional information. I look forward to hearing from you.

Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701  
Kingsville, Texas 78364  
361-592-9323 x112

**From:** [mogserrato@stwa.org](mailto:mogserrato@stwa.org) <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>  
**Sent:** Monday, August 27, 2018 11:52 AM  
**To:** John Valls ([jvalls@cityofdriscoll.com](mailto:jvalls@cityofdriscoll.com)) <[jvalls@cityofdriscoll.com](mailto:jvalls@cityofdriscoll.com)>  
**Cc:** Jo Ella Wagner <[jwagner@stwa.org](mailto:jwagner@stwa.org)>; Frances Rosales <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>  
**Subject:** City of Driscoll - STWA Water Supply Contract

John,

Per our conversation this morning, attached is the cover letter to Mayor Zavala with enclosures. My recollection was correct that the letter with the contract was copied to the other two council persons. Please let me know if you need any additional information. The STWA Board will be meeting next week on Tuesday, September 4<sup>th</sup>. The contract will be an item on the agenda.

Have a good day,



Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

ATTACHMENT 9

Interlocal Participation Agreement – GoodBuy Purchasing Cooperative

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: GoodBuy Cooperative

### Background:

As mentioned in a recent Weekly Update, an interested bidder on the haul truck has indicated that the price for a Ford F550 would be through a different cooperative buying entity located out of Corpus Christi called GoodBuy. Staff has consulted with Mr. Bill Flickinger, Willatt and Flickinger, regarding the matter. He has indicated that STWA can proceed with becoming a member of GoodBuy by entering into the Interlocal Agreement and passing the required resolution. This action enables STWA to enjoy the benefits of another buying coop regardless of whether the interested bidder is the lowest bidder on the haul truck. Membership in GoodBuy is free.

### Analysis:

This Coop is similar to the BuyBoard, HGACBuy (Houston Galveston Area Council), and Choice Partners (another agenda item).

### Staff Recommendation:

Authorize staff to execute the Interlocal Agreement with GoodBuy and approve the corresponding resolution.

### Board Action:

Determine whether to authorize staff to execute the Interlocal Agreement with GoodBuy and whether to approve the corresponding resolution.

### Summarization:

Joining GoodBuy provides another option for purchasing goods at a reduced price at no extra cost to STWA.



## **Interlocal Participation Agreement for the GoodBuy Purchasing Cooperative**

The GoodBuy Purchasing Cooperative ("GoodBuy"), is a Purchasing Cooperative authorized by Tex. Gov't Code §§ 791.001 *et seq.* as amended, operated by the Education Service Center, Region 2 ("Region 2 ESC"), a state agency, as authorized by Tex. Educ. Code ("TEC") §8.002 and TEC §44.031(a)(4). The purpose of this Agreement is to facilitate compliance with state bidding requirements, to identify qualified vendors of commodities, goods and services, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings, for Program Members. Program Members may purchase goods and services from any and all GoodBuy vendors, under the same terms, conditions, and price as stated in each GoodBuy awarded contract. GoodBuy excludes engineering, architectural, land surveyors, doctors, nurses and construction services. The purchase of goods through GoodBuy includes the purchase of any services reasonably required for the installation, operation, or maintenance of purchased goods, where such services are included in the awarded Vendor contract.

### **MEMBERSHIP**

1. **Program Members.** Program Members must be qualifying local governmental entities of the State of Texas or another State; or qualifying private non-profit entities with tax exempt status under IRS Code Section 501(c)(3), operating private schools or child care facilities.
2. To become a Program Member requires the approval of this Agreement by the governing body of the Member, and by the Region 2 ESC Board of Directors. Each Program member must submit a copy of this Agreement signed by an authorized representative of the Member, along with a signed copy of a Resolution approved by the Program Member's governing body, to Region 2 ESC, as a condition of membership, as set forth below.
3. **Non-governmental Members.** In addition to the membership requirements set forth in Paragraph 2 above, all non-governmental entities seeking membership in GoodBuy must produce such documents as may be required from time to time by GoodBuy, to demonstrate each such non-governmental entity is eligible to become a Program Member under applicable law.
4. **Membership Term.** This Agreement shall be for one calendar year, which shall run from September 1 through August 31 of each calendar year, and shall become effective upon approval by both the Program Member's governing body, and the Region 2 ESC Board of Directors. This Agreement shall automatically renew for successive one-year terms, unless sooner terminated as provided in this Agreement. The terms and conditions of this Agreement shall apply to the initial term of Membership and all renewals, unless the terms and conditions are modified in writing, and approved by the governing body of GoodBuy, the Region 2 ESC Board of Directors. There is no fee for Program Membership.
5. **Termination of Membership.** Either the Program Member or Region 2 ESC may elect to non-renew this Agreement by sixty (60) days written notice of non-renewal delivered to the designated representative of the other party, as set forth below. This Agreement may also be terminated by either party upon thirty (30) days prior written notice to the designated representative set forth below, with or without cause. If the Program Member terminates its participation during the term of this Agreement or if GoodBuy terminates participation of the Program Member under any provision of this Article, the Program Member shall bear the full financial responsibility for any purchases by the Program Member occurring after the termination date.



## Services Provided by GoodBuy:

### GoodBuy will:

- Provide the organization and administrative structure of the program, including all staff necessary for the efficient operation of the program;
- Solicit requests from Program Members for adding categories/commodities and relevant specifications, and quantity demands for goods and services that could be included in the GoodBuy program;
- Prepare specifications for procurement of goods and services to be included in the GoodBuy program;
- Publish solicitations for prices and bids from potential Vendors of goods and services to be included in the GoodBuy program;
- Qualify potential Vendors and their goods or services, based on published bid criteria, and including the conducting of due diligence of potential Vendors;
- Tabulate price quotes, unit prices, and other information provided by potential Vendors of goods and services, to determine awarded Vendors for specific goods and services;
- Making all Vendor background research information and bids, and GoodBuy awarded Vendor contract analysis information available to Program Members;
- Maintain and publish the list of all GoodBuy awarded contracts, including all relevant information about the goods and services available under each awarded Vendor contract; and
- Provide Members with procedures for ordering, delivery, and billing for Member purchases from GoodBuy vendors.

Region 2 ESC is the designated entity that shall supervise the GoodBuy performance of this Agreement.

Any written notice to the GoodBuy Purchasing Cooperative shall be made by first class mail, postage prepaid, and delivered to: GoodBuy Purchasing Cooperative, Education Service Center, Region 2, 209 N. Water St., Corpus Christi, Texas 78401-2528 or by e-mail sent and actually received by GoodBuy to a GoodBuy Relations Representative at [goodbuy@esc2.net](mailto:goodbuy@esc2.net).

### Member Obligations:

- Each Program Member warrants that all Vendor payments, or other disbursements required under this Agreement will be made from current revenues budgeted and available to that Member.
- Program Members commit to purchase goods and services that become part of the official GoodBuy products and services list when it is in the best interest of the member entity.
- Each Program Member agrees to prepare purchase orders or provide other documentation issued to the appropriate vendor from the official awarded Vendor list provided by GoodBuy clearly noting contract number on it, as may be required by Member policy and procedures; provide a copy of each such Purchase Order, or Member approved order confirmation, Vendor Invoice or other proof of purchase for a purchase to the GoodBuy representative no later than 60 business days of the Member purchase from a GoodBuy Vendor;
- Accept shipments of products or delivery of services ordered from vendors in accordance with standard GoodBuy purchasing procedures.



- Pay Vendors in a timely manner for all goods and services received.
- Report promptly in writing to GoodBuy any and all instances in which a Program Member has rejected goods or services delivered to the Member by any awarded GoodBuy Vendor, or has cancelled any previously approved Purchase Order or invoice Order for goods or services to be provided by any awarded GoodBuy Vendor, to the designated GoodBuy representative.
- It is also a condition precedent to the approval of this Agreement for each Program Member by the Board of Directors of Region 2 ESC, that each prospective Program Member shall designate the person or persons who have express authority to represent and bind the Program Members in the administration and operation of this Agreement, with respect to GoodBuy purchasing, and Region 2 ESC will not be obligated to contact any other individual(s) regarding GoodBuy matters. A Program Member may change the designated Member representative listed below at any time by submitting written notice to [goodbuy@esc2.net](mailto:goodbuy@esc2.net).

Program Member Name: \_\_\_\_\_

Program Member Designated GoodBuy representative(s):

|                  |                            |
|------------------|----------------------------|
| Name: _____      | Contact Information: _____ |
| Title: _____     | (Address) _____            |
| Email: _____     | City: _____                |
| Telephone: _____ | State: _____               |
| Facsimile: _____ |                            |

The Program Member shall provide proof of goods and services purchased via any GoodBuy contract (purchase orders, monthly activity reports, order confirmations, invoices, etc.) to GoodBuy (all purchases conducted through GoodBuy Awarded Vendor contracts). These reports may be modified from time to time as deemed appropriate by GoodBuy.

### GENERAL TERMS AND CONDITIONS

- 1. Governing Law and Venue.** The Program Member and GoodBuy agree that this Agreement is governed by the law of the State of Texas and the published policies and procedures of GoodBuy. Any and all suits arising from this Agreement shall be brought in a court of competent jurisdiction and venue shall lie in Nueces County, Texas.
- 2. Cooperation and Access.** The Program Member and GoodBuy agree that they will cooperate in compliance with any reasonable requests for information and/or records made by GoodBuy or the Program Member. GoodBuy reserves the right to audit the relevant records of any Program Member, and vice-versa.
- 3. Defense and Prosecution of Claims.** The ESC shall not be responsible or obligated to defend any claims against the Member or prosecute any claims on behalf of the Member.
- 4. Legal Counsel.** The Region 2 ESC shall not be responsible or obligated to provide or act as legal counsel to the Member with respect to any matter regarding this Agreement.
- 5. Purchase Contracts.** The Region 2 ESC and GoodBuy shall not be a party to any contracts made by the Member for the purchase of goods or services with any vendor through the GoodBuy program.



6. No Warranty. The Region 2 ESC and/or GoodBuy does not warrant, sponsor, or endorse the goods or services of any GoodBuy Vendor.
7. It is the responsibility of the Program Member purchasing from GoodBuy awarded vendors ensure that the applicable purchasing requirements for the Member are met in accordance with all applicable local, state and federal procurement law.
8. Mediation. All claims and disputes arising under this Agreement shall be submitted to non-binding mediation before a neutral mediator in Nueces County, Texas, with the party demanding mediation of a claim being obligated to pay all costs and expenses of mediation.
9. Compliance with Procurement Laws. GoodBuy shall use its best effects to solicit prices for goods and services in compliance with all applicable laws and regulations governing purchase contracts by Members, and will keep a record of its procurement methodology for inspection by any Member. Each Member is responsible for determining, in consultation with its legal counsel, whether purchasing through this cooperative will satisfy the requirements of any applicable law or regulation governing the Program Member.
10. This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.
11. If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect
12. No Party to this Agreement waives or relinquishes any immunity or defense on behalf of itself, its directors, officers, employees, representatives and agents as a result of its execution of this Agreement and performance of the functions and obligations described herein.
13. **THE GOODBUY PURCHASING COOPERATIVE, ITS ENDORSERS, AND SERVICING CONTRACTORS HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
14. **THE PARTIES AGREE THAT IN REGARD TO ANY AND ALL CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES**
15. **GoodBuy and Region 2 ESC, their ENDORSERS AND SERVICING CONTRACTORS, DO NOT WARRANT THAT THE OPERATION OR USE OF PROGRAM SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE.**



Purchasing Program of the Education Service Center, Region 2

**16. Merger:** The Interlocal Participation Agreement, Board Resolution, Terms and Conditions, and General Provisions represent the complete understanding of the GoodBuy Purchasing Cooperative, and Program Member electing to participate in the Program.

**17. Representation of Authorization:** By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.

**TO BE COMPLETED BY THE GOODBUY PURCHASING COOPERATIVE**, as acting on behalf of all other Program Members

By: \_\_\_\_\_ Date: \_\_\_\_\_  
GoodBuy Relations Representative, Region 2 ESC

Email: \_\_\_\_\_ Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

\_\_\_\_\_  
(Name of Program Member)

**TO BE COMPLETED BY PROGRAM MEMBER**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of authorized representative of Program Member)



ATTACHMENT 10

Resolution 19-04



Purchasing Program of the Education Service Center Region 2

**Shared Service Arrangement for Participation in the  
Goodbuy Purchasing Cooperative  
(A program of the Education Service Center, Region 2)**

**Board Resolution**

19-04

\_\_\_\_\_, and  
(local government name)

WHEREAS, the \_\_\_\_\_, local government (Hereinafter "Member") pursuant to the authority by Article 791et.seq.of the Inter-local Cooperation Act, as amended, desires to participate in the Goodbuy Purchasing Cooperative.

WHEREAS, the \_\_\_\_\_, local government has elected to be a Member of the Goodbuy Purchasing Cooperative, a program created by local governments in accordance with the Inter-local Cooperation Act 791, Texas Government Code.

WHEREAS, the Member, is of the opinion that participation in the Goodbuy Purchasing Cooperative will be highly beneficial to the taxpayers of the local government through the efficiencies and potential savings to be realized through participation in this Shared Service Arrangement Resolution; and

WHEREAS, the Member desires to participate and join with other local governments in a cooperative inter-local agreement and a shared service agreement for the purpose of fulfilling and implementing their respective public governmental purposes, needs, objectives, programs, functions and services.

NOW, THEREFORE, BE IT RESOLVED, that the Member does request the Goodbuy Purchasing Cooperative include its stated needs for all categories of instructional goods and services, whereby the Member may be allowed to purchase those items from the Goodbuy Purchasing Cooperative contracts; and that the Goodbuy Purchasing Cooperative is authorized to sign and deliver all necessary requests and other documents in connection therewith for and on behalf of the Members that have elected to participate in this agreement.

FURTHER, BE IT RESOLVED, that the Board of Directors of the Member does hereby authorize its Board President, Superintendent or other officer to execute this Agreement.

Revised 05/08/2014





FINALLY, BE IT RESOLVED that the execution of this Resolution shall evidence the election of the Member and eligible local governments to become members of the Multi-Regional Purchasing Program Shared Service Agreement upon the terms and conditions stated. The Board of Directors has, and at the time of adoption of this Resolution had, full power and lawful authority to adopt the foregoing Resolution and to confer the obligations, powers, and authority to the persons named, who hereby grant the power to exercise the same.

I certify that the foregoing is a true and correct copy of the Resolution duly adopted by the \_\_\_\_\_ local government on the \_\_\_\_\_ day of 2\_\_\_\_\_, and that the same now appears of record in its official minutes.

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

By: \_\_\_\_\_, Date: \_\_\_\_\_  
(Local Government Official)

\_\_\_\_\_  
(Title of Official)

Attest:

\_\_\_\_\_  
(Secretary of the Board of Directors) Date: \_\_\_\_\_



ATTACHMENT 11

Bids – Haul Trailer

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 20, 2019  
Re: Trailer for Track Hoe/Excavator

Background:

As authorized during the last meeting, quotes were solicited for the purchase of a heavy-duty equipment trailer that will be capable of hauling the new trackhoe. Enclosed is a memo from CP Tech Armando Yruegas regarding the various brands of trailers all rated with dual axles of 15,000 lbs.

Analysis:

Four (4) vendors provided a quote. The prices range from \$20,608 to \$16,340. The delivery time ranges from 12-14 weeks to 3-4 weeks. Mr. Yruegas recommends purchasing the trailer from Hallmark Trailer Sales, George West, Texas in the amount of \$16,340 with a 3- to 4-week delivery period.

Staff Recommendation:

Purchase a new heavier duty trailer from Hallmark Trailer Sales in the amount of \$16,340.

Board Action:

Determine whether to purchase a new heavier duty trailer from Hallmark Trailer Sales in the amount of \$16,340.

Summarization:

The Board will recall that there is a difference of \$23,410.48 between the budgeted \$95,000 and the actual purchase price of the new excavator. If the Board approves the purchase of the new trailer, the remaining funds of \$7,070 could be used towards the purchase of a truck (see agenda item on that subject).

To: Carola G. Serrato, Executive Director

From: Armando Yruegas CP Technician

Date: February 20, 2019

Re: Quotes on New Equipment Trailer

Additional research on the 2002 gooseneck heavy equipment trailer was done after the last Board Meeting. The 2002 trailer is rated to carry 17,780 lbs. and is capable of hauling the current equipment. But it doesn't have the capacity to carry the new excavator, with an operating weight of 18,977 lbs. The current trailer is a 20- foot plus 5- foot dove tail gooseneck, with dual 10,000 lbs. axles.

Per your instruction, below are the quotes for a new heavy equipment trailer with dual 15,000 lb. axles.

| <b>Company</b>                 | <b>Location</b>             | <b>Model</b>              | <b>Warranty</b> | <b>Delivery Days</b>  | <b>Price</b>       |
|--------------------------------|-----------------------------|---------------------------|-----------------|-----------------------|--------------------|
| <b>Hallmark Trailers Sales</b> | <b>George West Texas</b>    | <b>PJ Trailers</b>        | <b>3 Years</b>  | <b>3 to 4 Weeks</b>   | <b>\$16,340.00</b> |
| <b>Bishop Farm Equip.</b>      | <b>Bishop Texas</b>         | <b>Diamond T Trailers</b> | <b>3 Years</b>  | <b>5 to 6 Weeks</b>   | <b>\$18,831.25</b> |
| <b>Taggart Motor Sales</b>     | <b>Portland Texas</b>       | <b>Big Tex Trailer</b>    | <b>3 Years</b>  | <b>12 to 14 Weeks</b> | <b>\$20,608.00</b> |
| <b>Superior Trailer Sales</b>  | <b>Corpus Christi Texas</b> | <b>PJ Trailers</b>        | <b>3 Years</b>  | <b>12 to 14 Weeks</b> | <b>\$20,608.00</b> |

I recommend purchasing a dual 15,000 lbs. axle trailer. The dual 12,000 lbs. axle trailer has a carrying capacity of around 19,400 lbs. Which is close to the operating weight of the new excavator of 18,977 lbs. However, the dual 15,000 lbs. axle trailer has a carrying capacity of 23,020 lbs. This larger capacity will provide more leeway on the weight.

I recommend purchasing the dual 15,000 lbs. axles gooseneck from Hallmark Trailers in George West Texas for \$16,340.00.

ATTACHMENT 12

Resolution 19-05

SOUTH TEXAS WATER AUTHORITY

Resolution 19-05

RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE (1)  
TRAILER.

WHEREAS, the South Texas Water Authority solicited bids to acquire one (1) trailer for the Authority's use, and

WHEREAS, the Board of Directors of the South Texas Water Authority has reviewed the bids and finds that \_\_\_\_\_ has submitted the lowest responsible bid.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board of Directors awards the bid for one (1) trailer to \_\_\_\_\_.

Duly adopted this 26th day of February, 2019.

\_\_\_\_\_  
KATHLEEN LOWMAN, PRESIDENT

ATTEST:

\_\_\_\_\_  
RUDY GALVAN, JR., SECRETARY/TREASURER



ATTACHMENT 13

Bids – Haul Truck

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 21, 2019  
Re: Haul Truck for Trackhoe/Excavator

### Background:

As approved by the Board during the last meeting, staff requested bids for the purchase of a new haul truck with the capacity to haul the new Bobcat trackhoe scheduled for delivery at the end of March or beginning of April. Bids were solicited through BuyBoard.

### Analysis:

As mentioned previously, research into Ford and Dodge trucks indicates that those vehicles are similar in size to the current haul truck, Ford 550, but with diesel engines the truck would pull the new Bobcat excavator with a properly sized trailer. After the Board meeting, staff was still unable to locate the necessary information on a Chevrolet or GM unit. Three (3) bids were received from Ford dealerships. One (1) bid was received from a Dodge dealership; however, staff considers that bid to be incomplete since it lacks details on the capacity of the truck. The Ford bids are from Caldwell Country Ford, Silsbee Ford, and Rush Truck Center. The bid prices are \$50,271, \$51,515.25 and \$53,748.30 respectively. The units are the same model with the same specs.

With regards to the funds for this vehicle, as mentioned in the memo regarding a new heavier duty trailer, approximately \$7,000 would be available from the budgeted amount for the new trackhoe *after* the purchase of a new trailer. The purchase of a new haul truck is not included in the General Fund FY 2019 Budget or in the Capital Improvement (bond) Fund FY 2019 Budget. Budgeting for the purchase can be addressed in one of two ways. The cost can be added in April as a budget amendment to either of the two funds. However, if purchased with bond funds, when the haul truck is "returned" for everyday use to the regular field operations, the General Fund will need to "purchase" the vehicle at the fair market price at that time. This would mean using a blue book value for the vehicle at some time in the future.

### Staff Recommendation:

Staff recommends purchasing the diesel F550 from Caldwell Country Ford in the amount of \$50,271. It is staff's preference to purchase the truck using General Funds to avoid any issues with the use of bond proceeds.

### Board Action:

Determine whether to purchase a diesel F550 from Caldwell Country Ford in the amount of \$50,271 by adopting Resolution 19-05. Determine whether to utilize General or Capital Improvement Funds.

### Summarization:

This truck would be purchased *in addition* to the current haul truck. There may be times when use of this truck could be necessary as part of general field operations.

ATTACHMENT 14

Resolution 19-06

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 19-06

RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE (1) HAUL TRUCK.

WHEREAS, the South Texas Water Authority solicited bids to acquire one (1) haul truck for the Authority's use, and

WHEREAS, the Board of Directors of the South Texas Water Authority has reviewed the bids and finds that \_\_\_\_\_ has submitted the lowest responsible bid.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board of Directors awards the bid for one (1) haul truck to \_\_\_\_\_.

Duly adopted this 26th day of February, 2019.

\_\_\_\_\_  
KATHLEEN LOWMAN, PRESIDENT

ATTEST:

\_\_\_\_\_  
RUDY GALVAN, JR., SECRETARY/TREASURER

ATTACHMENT 15

Bids – Equipment Barn

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 20, 2019  
Re: Bids and Award for Construction of an Equipment Barn

### Background:

Enclosed is a memo from Armando Yruegas, CP Tech, regarding quotes received for the construction of an equipment shed to house the new excavator which, although not devoted to only CP/anode work, will be used the majority of the time by the CP crew. The shed is designed to have three (3) bays which will also house the anodes and materials for the project and can also house the truck or trailer. This project was included as part of the FY 2019 budget in the amount of \$50,000.

### Analysis:

As you can see from Mr. Yruegas' memo, five (5) quotes were received ranging in price from \$56,657 to \$44,600. The lowest bid was from WP Construction. Mr. William Pope is the contractor that recently completed the rehabilitation of the Kingsville PS building. Staff believes his company performed good work. The cost is \$5,400 below the budgeted amount.

### Staff Recommendation:

Award the bid to build an equipment shed to WP Construction in the amount of \$44,600.

### Board Action:

Determine whether to award the bid to build an equipment shed to WP Construction in the amount of \$44,600.

### Summarization:

The Board may recall that originally the rehabilitation of the Kingsville PS building was to be done by a subcontractor that worked for Mercer Controls. However, that company began working out of State and was not available to perform the job. Mr. Sherrel Mercer recommended WP Construction and Mr. Pope was asked to provide a quote, which was a decrease of more than \$15,000 from the original quote.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas CP Technician

Date: February 20,2019

Re: Quotes on New Equipment Shed

We received 5 quotes for the equipment shed to be installed on the Kingsville site.

| <b>Company</b>                    | <b>Location</b>                 | <b>Price</b>       |
|-----------------------------------|---------------------------------|--------------------|
| <b>Will Pope Const.</b>           | <b>Inez Texas</b>               | <b>\$44,600.00</b> |
| <b>SBS</b>                        | <b>Whitsett<br/>Texas</b>       | <b>\$50,095.00</b> |
| <b>D&amp;R sales</b>              | <b>Corpus Christi<br/>Texas</b> | <b>\$54,069.00</b> |
| <b>Goebel Welding</b>             | <b>Three Rivers<br/>Texas</b>   | <b>\$54,927.00</b> |
| <b>Progressive<br/>Structures</b> | <b>Corpus Christi<br/>Texas</b> | <b>\$56,657.00</b> |

I recommend awarding the bid to Will Pope Construction as they are the lowest quote.

ATTACHMENT 16

Resolution 19-07



SOUTH TEXAS WATER AUTHORITY

RESOLUTION 19-07

RESOLUTION AWARDING THE BID FOR CONSTRUCTION OF AN EQUIPMENT BARN.

WHEREAS, the South Texas Water Authority solicited bids for construction of an equipment barn, and

WHEREAS, the Board of Directors of the South Texas Water Authority has reviewed the bids and finds that \_\_\_\_\_ has submitted the lowest responsible bid.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board of Directors awards the bid for the equipment barn to \_\_\_\_\_ in the amount of \$ \_\_\_\_\_.

Duly adopted this 26th day of February, 2019.

\_\_\_\_\_  
KATHLEEN LOWMAN, PRESIDENT

ATTEST:

\_\_\_\_\_  
RUDY GALVAN, JR., SECRETARY/TREASURER

ATTACHMENT 17

Annexation Petition – Ryan M. Esquivel and Tabitha F. Esquivel

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: Annexation Petition—Ryan M. Esquivel and Tabitha F. Esquivel – North east half of Tract 17 of Cyndie Park Unit 2, Nueces County, Texas

Background:

*Below is a duplicate of the January agenda memo on this matter. Per the January meeting minutes, there was an error in the description of the agenda item. The corrected item has been placed on the February agenda.*

As the Board is aware, from time to time, a property owner living outside of South Texas Water Authority's (STWA) district boundaries will request retail water service from the Nueces Water Supply Corporation (NWSC). The property owner is required to request annexation into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically their NWSC retail water bill and property taxes to STWA.

As previously discussed as part of various Cyndie Park 2 Water Supply Corporation (CP2WSC) agenda items, for numerous years the Nueces County Grant Department has worked to secure grant funds to extend water service to the Cyndie Park area in order to eliminate use of the CP2WSC's groundwater well which contains arsenic that exceeds the Maximum Contaminant Level (MCL). A filtration system was installed on the groundwater well; however, the filter media was an expensive solution that the CP2WSC cannot afford to replace on a regular basis.

Ultimately, grant money was secured and a waterline was installed extending from the closest NWSC line to a CP2WSC waterline. Funds were also secured to construct a separate pump station adjacent to the existing Banquete Pump Station. The Board will recall that STWA is providing land for that station. The NWSC is providing \$50,000 in matching funds.

The long-term plan has been to have NWSC "absorb" the CP2WSC service area in a process required by the Texas Public Utility Commission (TPUC) referred to as a Sale, Transfer, Merger (STM). That process is very close to completion. The Board will recall approving an amendment to NWSC's contract to address peak hour demand in order to receive TCEQ's letter of approval that the TPUC is requiring. This brings the process to two (2) of the final steps – signing an NWSC Service Agreement and the property owners requesting Annexation into STWA's District. Enclosed is the first petition for such.

Analysis:

As reported in previous weekly updates, staff anticipates that there will be numerous similar items in upcoming agendas to address this long-awaited project.

Staff Recommendation:

Adopt Resolution 19-08.

Board Action:

Determine whether to adopt Resolution 19-08.

Summarization:

Accepting the petition and publishing notice of a hearing date and time, enables the landowner to receive service and provides uniformity between all NWSC members.

RECEIVED

DEC 31 2018

NUECES WATER SUPPLY CORPORATION

PETITION FOR ADDITION OF CERTAIN LANDS TO THE SOUTH TEXAS WATER AUTHORITY

STATE OF TEXAS :
COUNTY OF NUECES :

TO THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY:

The undersigned (herein called "Petitioner"), holder of title to the territory described by metes and bounds in Exhibit "A" which is attached hereto and incorporated herein for all purposes, being all of the residents and landowners of such territory, as shown by the tax rolls of Nueces County, Texas, and acting pursuant to the provisions of Section 11006.052, Special District Local Laws Code, respectfully petitions the Board of Directors of South Texas Water Authority that the territory described by metes and bounds in Exhibit "A" be added to and become a part of the established South Texas Water Authority, and in support of this petition would show as follows:

I.

Fee simple title and full ownership of the aforesaid territory, which lies wholly within Nueces County, Texas, is vested in Petitioner.

II.

The addition of said territory to South Texas Water Authority is feasible and practical, would be to the best interest both to the territory and to the Authority and would benefit said territory.

III.

The Authority will be able to supply water, or have water supplied, to the added territory.

IV.

This petition shall constitute an election on the part of the Petitioner, its successors and assigns, for the aforesaid land and any improvements which may be constructed thereon to become liable for all present and future debts of the Authority in the same manner and to the same extent as other lands and improvements in the Authority are liable for the Authority's debts.

V.

Petitioner hereby authorizes the Board of Directors of the Authority to levy taxes and set rates sufficient to pay their share of the aforementioned outstanding indebtedness.

WHEREFORE, Petitioner prays that this petition be properly filed, as provided by law; that the Board of Directors of South Texas Water Authority hear and consider the petition in keeping with the provisions of Section 11006.052, Special District Local Laws Code; and that this petition in all things be granted and that the territory described in Exhibit "A" be added to and become a part of the established South Texas Water Authority; that after this petition is granted the Board's order thereon be filed of record and be recorded in the Deed Records of Nueces County, Texas; and that the area described in Exhibit "A" be thereafter a component part of South Texas Water Authority.

[Signatures and Acknowledgement on following page.]

EXECUTED this 19th day of December, 2018.

R. M. Esquivel  
Ryan M. Esquivel

Tabitha F. Esquivel  
Tabitha F. Esquivel

ACKNOWLEDGEMENT

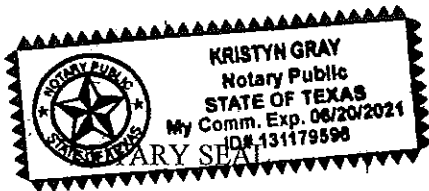
STATE OF TEXAS

COUNTY of Midland

Subscribed and sworn to before me Ryan M. Esquivel on  
this the 19th day of December, 2018.

Kristyn Gray  
Notary Public

My Commission Expires: 6/20/21



ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Midland

Subscribed and sworn to before me Tabitha F. Esquivel on  
this the 19th day of December, 2018.

Kristyn Gray  
Notary Public

My Commission Expires: 6/20/21



Exhibit "A"

To

PETITION FOR ADDITION OF CERTAIN LANDS TO  
THE SOUTH TEXAS WATER AUTHORITY

Property Description:

Being the north east half of Tract 14, the south west half of Tract 14, all of tract 15, all of Tract 16 and the north east half of Tract 17, CYNDIE PARK UNIT 2 an unrecorded subdivision, out of a tract of land containing 59.59 acres, more or less, by deed recorded in Volume 2047, Pages 659-663, out of that 238.79 acres standing in the names of John S. McGregor and C.C. Speed by deed recorded in Volume 1840, Page 1017 of the Deed Records of Nueces County, Texas and all being out of THE CASA BLANCA GRANT and being a part of Tracts Twenty-Four (24) and Twenty-Five (25) of the MANTOR, BRIGGS & KUYKENDALL SUBDIVISION of 5155.97 acres in Nueces County, Texas, as shown by map recorded in Volume 2, Page 57 of the Map Records of Nueces County, Texas, and being more particularly described by metes and bounds on Exhibit "A" of the Warranty Deed with Vendor's Lien recorded under Document No. 2018015340 of the Official Records of Nueces County, Texas.

ATTACHMENT 18

Resolution 19-08

SOUTH TEXAS WATER AUTHORITY

Resolution 19-08

RESOLUTION OF DETERMINATION OF VALIDITY OF ANNEXATION PETITION,  
SETTING PUBLIC HEARING AND AUTHORIZING PUBLICATION OF NOTICE.

WHEREAS, Ryan M. Esquivel and Tabitha F. Esquivel (Petitioners), have filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of their property into the South Texas Water Authority in order to allow water service to their property to be provided by Nueces Water Supply Corporation, and

WHEREAS, the South Texas Water Authority Board of Directors has reviewed the Petition and finds that it meets all of the requirements for annexation into the South Texas Water Authority's District, and

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on March 26, 2019 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on March 26, 2019 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 26th day of February, 2019.

\_\_\_\_\_  
KATHLEEN LOWMAN, PRESIDENT

ATTEST:

\_\_\_\_\_  
RUDY GALVAN, JR., SECRETARY/TREASURER



NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS  
SOUTH TEXAS WATER AUTHORITY

Pursuant to a Resolution adopted by the Board of Directors of South Texas Water Authority, a hearing shall be held at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas, on March 26, 2019 at 5:30 p.m. with respect to the Petition filed by Ryan M. Esquivel and Tabitha F. Esquivel for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 26th day of February, 2019.

Kathleen Lowman, President  
Board of Directors  
South Texas Water Authority

That certain lot or tract of land situated in Nueces County, Texas, and more particularly described as follows:

Being the north east half of Tract 14, the south west half of Tract 14, all of tract 15, all of Tract 16 and the north east half of Tract 17, CYNDIE PARK UNIT 2 an unrecorded subdivision, out of a tract of land containing 59.59 acres, more or less, by deed recorded in Volume 2047, Pages 659-663, out of that 238.79 acres standing in the names of John S. McGregor and C.C. Speed by deed recorded in Volume 1840, Page 1017 of the Deed Records of Nueces County, Texas and all being out of THE CASA BLANCA GRANT and being a part of Tracts Twenty-Four (24) and Twenty-Five (25) of the MANTOR, BRIGGS & KUYKENDALL SUBDIVISION of 5155.97 acres in Nueces County, Texas, as shown by map recorded in Volume 2, Page 57 of the Map Records of Nueces County, Texas, and being more particularly described by metes and bounds on Exhibit "A" of the Warranty Deed with Vendor's Lien recorded under Document No. 2018015340 of the Official Records of Nueces County, Texas.

ATTACHMENT 19

Annexation Petition – Roland Gonzalez

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: Annexation Petition—**Roland Gonzalez** – Tract 44 of Cyndie Park Unit 2, Nueces County, Texas

### Background:

As the Board is aware, from time to time, a property owner living outside of South Texas Water Authority's (STWA) district boundaries will request retail water service from the Nueces Water Supply Corporation (NWSC). The property owner is required to request annexation into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically their NWSC retail water bill and property taxes to STWA.

As previously discussed as part of various Cyndie Park 2 Water Supply Corporation (CP2WSC) agenda items, for numerous years the Nueces County Grant Department has worked to secure grant funds to extend water service to the Cyndie Park area in order to eliminate use of the CP2WSC's groundwater well which contains arsenic that exceeds the Maximum Contaminant Level (MCL). A filtration system was installed on the groundwater well; however, the filter media was an expensive solution that the CP2WSC cannot afford to replace on a regular basis.

Ultimately, grant money was secured and a waterline was installed extending from the closest NWSC line to a CP2WSC waterline. Funds were also secured to construct a separate pump station adjacent to the existing Banquete Pump Station. The Board will recall that STWA is providing land for that station. The NWSC is providing \$50,000 in matching funds.

The long-term plan has been to have NWSC "absorb" the CP2WSC service area in a process required by the Texas Public Utility Commission (TPUC) referred to as a Sale, Transfer, Merger (STM). That process is very close to completion. The Board will recall approving an amendment to NWSC's contract to address peak hour demand in order to receive TCEQ's letter of approval that the TPUC is requiring. This brings the process to two (2) of the final steps – signing an NWSC Service Agreement and the property owners requesting Annexation into STWA's District.

### Analysis:

As reported in previous weekly updates, staff anticipates that there will be numerous similar items in upcoming agendas to address this long-awaited project.

### Staff Recommendation:

Adopt Resolution 19-09.

### Board Action:

Determine whether to adopt Resolution 19-09.

### Summarization:

Accepting the petition and publishing notice of a hearing date and time, enables the landowner to receive service and provides uniformity between all NWSC members.

PETITION FOR ADDITION OF CERTAIN LANDS TO  
THE SOUTH TEXAS WATER AUTHORITY

STATE OF TEXAS :  
COUNTY OF NUECES :

TO THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY:

The undersigned (herein called "Petitioner"), holder of title to the territory described by metes and bounds in Exhibit "A" which is attached hereto and incorporated herein for all purposes, being all of the residents and landowners of such territory, as shown by the tax rolls of Nueces County, Texas, and acting pursuant to the provisions of Section 11006.052, Special District Local Laws Code, respectfully petitions the Board of Directors of South Texas Water Authority that the territory described by metes and bounds in Exhibit "A" be added to and become a part of the established South Texas Water Authority, and in support of this petition would show as follows:

I.

Fee simple title and full ownership of the aforesaid territory, which lies wholly within Nueces County, Texas, is vested in Petitioner.

II.

The addition of said territory to South Texas Water Authority is feasible and practical, would be to the best interest both to the territory and to the Authority and would benefit said territory.

III.

The Authority will be able to supply water, or have water supplied, to the added territory.

IV.

This petition shall constitute an election on the part of the Petitioner, its successors and assigns, for the aforesaid land and any improvements which may be constructed thereon to become liable for all present and future debts of the Authority in the same manner and to the same extent as other lands and improvements in the Authority are liable for the Authority's debts.

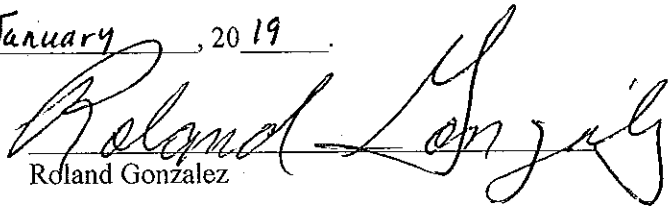
V.

Petitioner hereby authorizes the Board of Directors of the Authority to levy taxes and set rates sufficient to pay their share of the aforementioned outstanding indebtedness.

WHEREFORE, Petitioner prays that this petition be properly filed, as provided by law; that the Board of Directors of South Texas Water Authority hear and consider the petition in keeping with the provisions of Section 11006.052, Special District Local Laws Code and that this petition in all things be granted and that the territory described in Exhibit "A" be added to and become a part of the established South Texas Water Authority; that after this petition is granted the Board's order thereon be filed of record and be recorded in the Deed Records of Nueces County, Texas; and that the area described in Exhibit "A" be thereafter a component part of South Texas Water Authority.

[Signatures and Acknowledgement on following page.]

EXECUTED this 25 day of January, 2019.

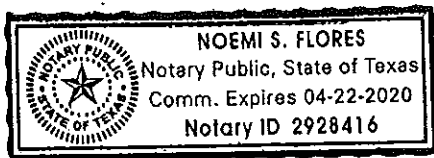
  
Roland Gonzalez

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Roland Gonzalez on this the  
25th day of January, 2019.



NOTARY SEAL

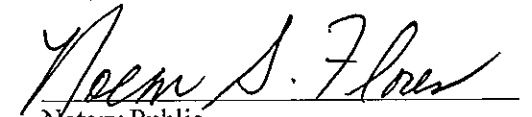
  
Notary Public  
My Commission Expires: 4/22/2020

Exhibit "A"

To

PETITION FOR ADDITION OF CERTAIN LANDS TO  
THE SOUTH TEXAS WATER AUTHORITY

Property Description:

Tract Forty-Four (44), CYNDIE PARK UNIT 2, in Nueces County, Texas, and the adjoining one-half (1/2) of Tract Forty-Three (43), CYNDIE PARK UNIT 2, in Nueces County, Texas, and being more particularly described on Exhibit "A" of the Warranty Deed with Vendor's Lien recorded under Document No. 1996046435 of the Official Records of Nueces County, Texas.

ATTACHMENT 20

Resolution 19-09

SOUTH TEXAS WATER AUTHORITY

Resolution 19-09

RESOLUTION OF DETERMINATION OF VALIDITY OF ANNEXATION PETITION,  
SETTING PUBLIC HEARING AND AUTHORIZING PUBLICATION OF NOTICE.

WHEREAS, Roland Gonzalez (Petitioner), has filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of his property into the South Texas Water Authority in order to allow water service to his property to be provided by Nueces Water Supply Corporation, and

WHEREAS, the South Texas Water Authority Board of Directors has reviewed the Petition and finds that it meets all of the requirements for annexation into the South Texas Water Authority's District, and

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on March 26, 2019 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on March 26, 2019 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 26th day of February, 2019.

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KATHLEEN LOWMAN, PRESIDENT

ATTEST:

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RUDY GALVAN, JR., SECRETARY/TREASURER



NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS  
SOUTH TEXAS WATER AUTHORITY

Pursuant to a Resolution adopted by the Board of Directors of South Texas Water Authority, a hearing shall be held at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas, on March 26, 2019 at 5:30 p.m. with respect to the Petition filed by Roland Gonzalez for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 26th day of February, 2019.

Kathleen Lowman, President  
Board of Directors  
South Texas Water Authority

That certain lot or tract of land situated in Nueces County, Texas, and more particularly described as follows:

Tract Forty-Four (44), CYNDIE PARK UNIT 2, in Nueces County, Texas and the adjoining one-half (1/2) of Tract Forty-Three (43), CYNDIE PARK UNIT 2, in Nueces County, Texas and being more particularly described on Exhibit "A" of the Warranty Deed with Vendor's Lien recorded under Document No. 1996046435 of the Official Records of Nueces County, Texas.

ATTACHMENT 21

Chloramine Booster Station – Kingsville Pump Station

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 20, 2019  
Re: Chloramine (Chlorine and Ammonia) Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline

### Background:

As mentioned in a recent Weekly Update, Mr. David Simons and Mr. Jack Schultze with the TCEQ visited with staff regarding disinfection byproducts and the operation of pump stations' disinfection systems. More specifically, the Nueces Water Supply Corporation and Ricardo Water Supply Corporation have experienced exceedance of the MCL for trihalomethanes. Mr. Simons and Mr. Schultze collected samples from the Bishop East Pump Station and Ricardo PS#2. Samples upstream of chemical injection, immediately downstream of injection, in the downstream storage tank and in the far reaches of the WSCs' distribution systems at the official collection points were taken for lab analysis. Finally, samples were collected at the ON Stevens WTP, STWA's entry point.

In the exit interview conducted on Friday, February 15<sup>th</sup>, they indicated that a report would be provided on their findings. During the interview, information on STWA's DBP annual levels, the WSCs quarterly levels and the breakdown between chloroform DBPs and bromo-DBPs were reviewed. Although not year-round, the percentage of bromo-DBPs is typically much higher than chloroform DBPs. This is an important distinction for several reasons. First, the presence of bromo-DBPs is as a result of source water, in other words Choke Canyon, Lake Corpus Christi, Lake Texana and Lower Colorado River. Second, the change in percentages during the year may be as a result of changing the blend of source waters. And, third, one of the methods used to reduce DBP's is a tank aeration system which is not effective on bromo-DBPs.

We also discussed the impacts of water age on the formation of DBPs. Literature on DBP formation has typically pointed to water age as the culprit and the importance of periodic flushing, elimination of dead-end lines and stagnant water. Mr. Simons' and Mr. Schultze's initial thought was that water age is not the main factor. However, further analysis is needed and the report should provide further insight.

Finally, an item that was recommended during the exit interview is the installation of a booster station at the Kingsville Pump Station *on the Meter Run that feeds the RWSC's 12" line*. The Board may recall when the line was being designed and constructed that staff stated a booster station may be necessary. The need has become more evident with the decision by the City of Bishop to cease purchasing water.

### Analysis:

The process to construct a chloramine booster station will depend on whether a review and approval by TCEQ is required. If plan review and approval is required, an engineering firm may be needed. Staff believes this could depend on engineering services being available from companies that install these types of systems. In addition to the proper sizing of the system to accommodate the anticipated maximum flow with three (3) possible downstream pump stations calling for water, the system will also need to operate against the incoming pressure. Staff believes the project, at a minimum will require: Electricity Hookups, Concrete slab – Chlorine Building, Chlorine Building, Controls – Chlorinator, Digital Scales – Chlorinator, Chlorinator Pump and Plumbing, Concrete slab – LAS Building, LAS Building, Controls – LAS, Digital Scales – LAS, LAS Pump and Plumbing, Containment – LAS, two (2) taps for monitoring and two (2) taps for chemical injection. In addition, some type of flow device may be needed. There is a meter on the piping; however, it may be necessary to add a different type of flow meter such as a switch with probes that will send a 4-20 milliamp signal to the controls.

Staff Recommendation:

Staff would like to begin the process of checking with TCEQ, engineers, legal counsel and vendors on the requirements for installation, estimated cost and bidding requirements. Staff believes the cost of this booster station should be a STWA expense that, if approved by the Board, would likely fall into a FY 2020 budget, depending on the time needed to fully research the aforementioned items.

Board Action:

Provide feedback to staff on the installation of a booster station on the RWSC 12" Line MR and determine whether to instruct staff to begin researching the process as a STWA project.

Summarization:

Staff recognizes under circumstances when Bishop is purchasing water that maintaining the required residual on the 12" line is not a problem. However, staff also believes that installing this booster station is prudent in terms of being prepared for changing conditions that are beyond STWA's control.

[<<Prev Rule](#)[Next Rule>>](#)

# Texas Administrative Code

|                     |  |
|---------------------|--|
| <u>TITLE 30</u>     | ENVIRONMENTAL QUALITY                          |
| <u>PART 1</u>       | TEXAS COMMISSION ON ENVIRONMENTAL QUALITY      |
| <u>CHAPTER 290</u>  | PUBLIC DRINKING WATER                          |
| <u>SUBCHAPTER D</u> | RULES AND REGULATIONS FOR PUBLIC WATER SYSTEMS |
| <u>RULE §290.42</u> | Water Treatment                                |

(iii) When chlorine and ammonia are added to distribution water that has a free chlorine residual, chlorine should be added first.

(B) Mixing shall be provided to disperse chemicals.

(C) Sampling taps must be provided at locations that allow for chlorine and ammonia to be added to the water to form monochloramine as the primary chloramine species. These locations must be listed in the system's monitoring plan as described in §290.121 of this title (relating to Monitoring Plans). Sample taps must be provided as follows:

(i) upstream of the chlorine or ammonia chemical injection point, whichever is furthest upstream;

(ii) between the addition of the chloramine chemicals at chloramination facilities submitted for plan review after December 31, 2015. For these facilities, an installation without this sample tap may be approved if an acceptable technical reason is described in the plan review documents. Technical reasons, such as disinfection byproduct control, must be supported by bench scale sampling results. Other technical reasons, such as membrane integrity, must be supported by documentation; and

(iii) at a point after mixing to be able to measure fully-formed monochloramine levels.

(D) When using chloramines, the feed and storage must be designed as described in subsection (f) of this section, regardless of water source.

(E) When using chloramines, the public water systems shall provide equipment for making at least the following determinations for purposes of complying with the requirements in §290.110 of this title:

(i) free ammonia (as nitrogen);

(ii) monochloramine;

(iii) total chlorine;

(iv) free chlorine; and

(v) nitrite and nitrate (both as nitrogen). The public water systems must either obtain equipment for measuring nitrite and nitrate or identify an accredited laboratory that can perform nitrite and nitrate analysis and can provide results to the public water systems within 48 hours of sample delivery.

(f) Water treatment plant chemical storage and feed facilities.

(1) Chemical storage facilities shall be designed to ensure a reliable supply of chemicals to the feeders, minimize the possibility and impact of accidental spills, and facilitate good housekeeping.

(A) Bulk storage facilities at the plant shall be adequate to store at least a 15-day supply of all chemicals needed to comply with minimum treatment technique and maximum contaminant level (MCL) requirements. The capacity of these bulk storage facilities shall be based on the design capacity of the treatment plant. However, the executive director may require a larger stock of chemicals based on local resupply ability.

(B) Day tanks shall be provided to minimize the possibility of severely overfeeding liquid chemicals from bulk storage facilities. Day tanks will not be required if adequate process control instrumentation and procedures are employed to prevent chemical overfeed incidents.

(C) Every chemical bulk storage facility and day tank shall have a label that identifies the facility's or tank's contents and a device that indicates the amount of chemical remaining in the facility or tank.

(D) Dry chemicals shall be stored off the floor in a dry room that is located above ground and protected against flooding or wetting from floors, walls, and ceilings.

(E) Bulk storage facilities and day tanks must be designed to minimize the possibility of leaks and spills.

(i) The materials used to construct bulk storage and day tanks must be compatible with the chemicals being stored and resistant to corrosion.

(ii) Except as provided in this clause, adequate containment facilities shall be provided for all liquid chemical storage tanks.

(I) Containment facilities for a single container or for multiple interconnected containers must be large enough to hold the maximum amount of chemical that can be stored with a minimum freeboard of six vertical inches or to hold 110% of the total volume of the container(s), whichever is less.

(II) Common containment for multiple containers that are not interconnected must be large enough to hold the volume of the largest container with a minimum freeboard of six vertical inches or to hold 110% of the total volume of the container(s), whichever is less.

(III) The materials used to construct containment structures must be compatible with the chemicals stored in the tanks.

(IV) Incompatible chemicals shall not be stored within the same containment structure.

(V) No containment facilities are required for hypochlorite solution containers that have a capacity of 55 gallons or less.

(VI) On a site-specific basis, the executive director may approve the use of double-walled tanks in lieu of separate containment facilities.

(F) Chemical transfer pumps and control systems must be designed to minimize the possibility of leaks and spills.

(G) Piping, pumps, and valves used for chemical storage and transfer must be compatible with the chemical being fed.

(2) Chemical feed and metering facilities shall be designed so that chemicals shall be applied in a manner which will maximize reliability, facilitate maintenance, and ensure optimal finished water quality.

(A) Each chemical feeder that is needed to comply with a treatment technique or MCL requirement shall have a standby or reserve unit. Common standby feeders are permissible, but generally, more than one standby feeder must be provided due to the incompatibility of chemicals or the state in which they are being fed (solid, liquid, or gas).

(B) Chemical feed equipment shall be sized to provide proper dosage under all operating conditions.

(i) Devices designed for determining the chemical feed rate shall be provided for all chemical feeders.

(ii) The capacity of the chemical feeders shall be such that accurate control of the dosage can be achieved at the full range of feed rates expected to occur at the facility.

(iii) Chemical feeders shall be provided with tanks for chemical dissolution when applicable.

(C) Chemical feeders, valves, and piping must be compatible with the chemical being fed.

(D) Chemical feed systems shall be designed to minimize the possibility of leaks and spills and provide protection against backpressure and siphoning.

(E) If enclosed feed lines are used, they shall be designed and installed so as to prevent clogging and be easily maintained.

(F) Dry chemical feeders shall be located in a separate room that is provided with facilities for dust control.

(G) Coagulant feed systems shall be designed so that coagulants are applied to the water prior to or within the mixing basins or chambers so as to permit their complete mixing with the water.

(i) Coagulant feed points shall be located downstream of the raw water sampling tap.

(ii) Coagulants shall be applied continuously during treatment plant operation.

(H) Chlorine feed units, ammonia feed units, and storage facilities shall be separated by solid, sealed walls.

(I) Chemical application points shall be provided to achieve acceptable finished water quality, adequate taste and odor control, corrosion control, and disinfection.

(g) Other treatment processes. Innovative/alternate treatment processes will be considered on an individual basis, in accordance with §290.39(l) of this title. Where innovative/alternate treatment systems are proposed, the licensed professional engineer must provide pilot test data or data collected at similar full-scale operations demonstrating that the system will produce water that meets the requirements of Subchapter F of this chapter. Pilot test data must be representative of the actual operating conditions which can be expected over the course of the year. The executive director may require a pilot study protocol to be submitted for review and approval prior to conducting a pilot study to verify compliance with the requirements of §290.39(l) of this title and Subchapter F of this chapter. The executive director may require proof of a one-year manufacturer's performance warrantee or guarantee assuring that the plant will produce treated water which meets minimum state and federal standards for drinking water quality.

(1) Package-type treatment systems and their components shall be subject to all applicable design criteria in this section.

(2) Bag and cartridge filtration systems or modules installed or replaced after April 1, 2012, and used for microbiological treatment, can receive up to 3.0-log *Giardia* removal credit, up to 2.0-log *Cryptosporidium* removal credit for individual bag or cartridge filters, and up to 2.5-log *Cryptosporidium* removal credit for bag or cartridge filters operated in series only if the cartridges or bags meet the criteria in subparagraphs (A) - (C) of this paragraph.

(A) The filter system must treat the entire plant flow.

(B) To be eligible for this credit, systems must receive approval from the executive director based on the results of challenge testing that is conducted according to the criteria established by 40 Code of Federal Regulations (CFR) §141.719(a) and the executive director.

(F) Provisions shall be made for both pretreatment disinfection and post-disinfection in all surface water treatment plants. Additional application points shall be installed if they are required to adequately control the quality of the treated water.

(G) The use of disinfectants other than free chlorine and chloramines will be considered on a case-by-case basis under the exception guidelines of §290.39(I) of this title. If water containing chloramines and water containing free chlorine are blended, then a case-by-case review under §290.39(I) of this title will be required.

(4) Systems that use chlorine gas must ensure that the risks associated with its use are limited as follows.

(A) When chlorine gas is used, a full-face self-contained breathing apparatus or supplied air respirator that meets Occupational Safety and Health Administration (OSHA) standards for construction and operation, and a small bottle of fresh ammonia solution (or approved equal) for testing for chlorine leakage shall be readily accessible outside the chlorinator room and immediately available to the operator in the event of an emergency.

(B) Housing for gas chlorination equipment and cylinders of chlorine shall be in separate buildings or separate rooms with impervious walls or partitions separating all mechanical and electrical equipment from the chlorine facilities. Housing shall be located above ground level as a measure of safety. Equipment and cylinders may be installed on the outside of the buildings when protected from adverse weather conditions and vandalism.

(C) Adequate ventilation, which includes both high level and floor level screened vents, shall be provided for all enclosures in which gas chlorine is being stored or fed. Enclosures containing more than one operating 150-pound cylinder of chlorine shall also provide forced air ventilation which includes: screened and louvered floor level and high level vents; a fan which is located at and draws air in through the top vent and discharges to the outside atmosphere through the floor level vent; and a fan switch located outside the enclosure. Alternately, systems may install negative pressure ventilation as long as the facilities also have gas containment and treatment as prescribed by the current International Fire Code (IFC).

(5) Hypochlorination solution containers and pumps must be housed in a secure enclosure to protect them from adverse weather conditions and vandalism. The solution container top must be completely covered to prevent the entrance of dust, insects, and other contaminants.



(iii) at a point after mixing to be able to measure fully-formed monochloramine levels.

(D) When using chloramines, the feed and storage must be designed as described in subsection (f) of this section, regardless of water source.

(E) When using chloramines, the public water systems shall provide equipment for making at least the following determinations for purposes of complying with the requirements in §290.110 of this title:

(i) free ammonia (as nitrogen);

(ii) monochloramine;

(iii) total chlorine;

(iv) free chlorine; and

(v) nitrite and nitrate (both as nitrogen). The public water systems must either obtain equipment for measuring nitrite and nitrate or identify an accredited laboratory that can perform nitrite and nitrate analysis and can provide results to the public water systems within 48 hours of sample delivery.

(f) Water treatment plant chemical storage and feed facilities.

(1) Chemical storage facilities shall be designed to ensure a reliable supply of chemicals to the feeders, minimize the possibility and impact of accidental spills, and facilitate good housekeeping.

(A) Bulk storage facilities at the plant shall be adequate to store at least a 15-day supply of all chemicals needed to comply with minimum treatment technique and maximum contaminant level (MCL) requirements. The capacity of these bulk storage facilities shall be based on the design capacity of the treatment plant. However, the executive director may require a larger stock of chemicals based on local resupply ability.

(B) Day tanks shall be provided to minimize the possibility of severely overfeeding liquid chemicals from bulk storage facilities. Day tanks will not be required if adequate process control instrumentation and procedures are employed to prevent chemical overfeed incidents.

(C) Every chemical bulk storage facility and day tank shall have a label that identifies the facility's or tank's contents and a device that indicates the amount of chemical remaining in the facility or tank.

(D) Dry chemicals shall be stored off the floor in a dry room that is located above ground and protected against flooding or wetting from floors, walls, and ceilings.

(E) Bulk storage facilities and day tanks must be designed to minimize the possibility of leaks and spills.

(i) The materials used to construct bulk storage and day tanks must be compatible with the chemicals being stored and resistant to corrosion.

(ii) Except as provided in this clause, adequate containment facilities shall be provided for all liquid chemical storage tanks.

(I) Containment facilities for a single container or for multiple interconnected containers must be large enough to hold the maximum amount of chemical that can be stored with a minimum freeboard of six vertical inches or to hold 110% of the total volume of the container(s), whichever is less.

(II) Common containment for multiple containers that are not interconnected must be large enough to hold the volume of the largest container with a minimum freeboard of six vertical inches or to hold 110% of the total volume of the container(s), whichever is less.

(III) The materials used to construct containment structures must be compatible with the chemicals stored in the tanks.

(IV) Incompatible chemicals shall not be stored within the same containment structure.

(V) No containment facilities are required for hypochlorite solution containers that have a capacity of 55 gallons or less.

(VI) On a site-specific basis, the executive director may approve the use of double-walled tanks in lieu of separate containment facilities.

(F) Chemical transfer pumps and control systems must be designed to minimize the possibility of leaks and spills.

(G) Piping, pumps, and valves used for chemical storage and transfer must be compatible with the chemical being fed.

(2) Chemical feed and metering facilities shall be designed so that chemicals shall be applied in a manner which will maximize reliability, facilitate maintenance, and ensure optimal finished water quality.

(A) Each chemical feeder that is needed to comply with a treatment technique or MCL requirement shall have a standby or reserve unit. Common standby feeders are permissible, but generally, more than one standby feeder must be provided due to the incompatibility of chemicals or the state in which they are being fed (solid, liquid, or gas).

(B) Chemical feed equipment shall be sized to provide proper dosage under all operating conditions.

(i) Devices designed for determining the chemical feed rate shall be provided for all chemical feeders.

(ii) The capacity of the chemical feeders shall be such that accurate control of the dosage can be achieved at the full range of feed rates expected to occur at the facility.

(iii) Chemical feeders shall be provided with tanks for chemical dissolution when applicable.

(C) Chemical feeders, valves, and piping must be compatible with the chemical being fed.

(D) Chemical feed systems shall be designed to minimize the possibility of leaks and spills and provide protection against backpressure and siphoning.

(E) If enclosed feed lines are used, they shall be designed and installed so as to prevent clogging and be easily maintained.

(F) Dry chemical feeders shall be located in a separate room that is provided with facilities for dust control.

(G) Coagulant feed systems shall be designed so that coagulants are applied to the water prior to or within the mixing basins or chambers so as to permit their complete mixing with the water.

(i) Coagulant feed points shall be located downstream of the raw water sampling tap.

(ii) Coagulants shall be applied continuously during treatment plant operation.

(H) Chlorine feed units, ammonia feed units, and storage facilities shall be separated by solid, sealed walls.

(I) Chemical application points shall be provided to achieve acceptable finished water quality, adequate taste and odor control, corrosion control, and disinfection.

(g) Other treatment processes. Innovative/alternate treatment processes will be considered on an individual basis, in accordance with §290.39(l) of this title. Where innovative/alternate treatment systems are proposed, the licensed professional engineer must provide pilot test data or data collected at similar full-scale operations demonstrating that the system will produce water that meets the requirements of Subchapter F of this chapter. Pilot test data must be representative of the actual operating conditions which can be expected over the course of the year. The executive director may require a pilot study protocol to be submitted for review and approval prior to conducting a pilot study to verify compliance with the requirements of §290.39(l) of this title and Subchapter F of this chapter. The executive director may require proof of a one-year manufacturer's performance warrantee or guarantee assuring that the plant will produce treated water which meets minimum state and federal standards for drinking water quality.

(1) Package-type treatment systems and their components shall be subject to all applicable design criteria in this section.

(2) Bag and cartridge filtration systems or modules installed or replaced after April 1, 2012, and used for microbiological treatment, can receive up to 3.0-log *Giardia* removal credit, up to 2.0-log *Cryptosporidium* removal credit for individual bag or cartridge filters, and up to 2.5-log *Cryptosporidium* removal credit for bag or cartridge filters operated in series only if the cartridges or bags meet the criteria in subparagraphs (A) - (C) of this paragraph.

(A) The filter system must treat the entire plant flow.

(B) To be eligible for this credit, systems must receive approval from the executive director based on the results of challenge testing that is conducted according to the criteria established by 40 Code of Federal Regulations (CFR) §141.719(a) and the executive director.

(i) A factor of safety equal to 1.0-log for individual bag or cartridge filters and 0.5-log for bag or cartridge filters in series must be applied to challenge testing results to determine removal credit.

(ii) Challenge testing must be performed on full-scale bag or cartridge filters, and the associated filter housing or pressure vessel, that are

ATTACHMENT 22

Resolution 19-10

**Resolution 19-10**

**A RESOLUTION HONORING CON MIMS, NUECES RIVER AUTHORITY EXECUTIVE DIRECTOR, FOR HIS SERVICE IN THE PROTECTION AND DEVELOPMENT OF WATER RESOURCES FOR THE COASTAL BEND AND THE STATE OF TEXAS.**

**WHEREAS**, Con Mims, in his current capacity as the Executive Director of the Nueces River Authority and previous employment with the San Antonio River Authority, has worked diligently to protect water resources; and,

**WHEREAS**, Mr. Mims' steadfast efforts included extensive water resource planning and development; and,

**WHEREAS**, Mr. Mims' career involved numerous aspects of water planning including soil and water conservation, rural flood control, right-of-way acquisition, and public outreach to name a few; and,

**WHEREAS**, Mr. Mims' employment with the Nueces River Authority spans forty-three (43) years beginning in 1976 through his retirement this coming April 2019; and,

**WHEREAS**, Mr. Mims' professional achievements include serving as a Director and Past President of the Texas Water Conservation Association (TWCA), serving as a former Chair of the Texas Water Conservation Association River Authorities Panel, serving as a former Chair of the River Authorities and Water Districts Managers Council, serving as a former Chair of the South Central Texas Regional Water Planning Group (Region L), serving as a former Chair of the Edwards Aquifer Recovery Implementation Program Steering Committee, serving as a former Chair of the Edwards Aquifer Recovery Implementation Program Adaptive Management Stakeholder Committee; serving as a former Chair of the Texas Instream Flows Program for Nueces River, Corpus Christi Bay and Baffin Bay Area Stakeholders Committee, serving as a Member of Texas Instream Flows Program for the Guadalupe-San Antonio Basin and Bay Area Stakeholders Committee, serving as a member of the South Texas Watermaster Advisory Committee, serving as a member of the Nueces Estuary Advisory Council, serving as a member of the Corpus Christi Bay National Estuary Program, serving as a member of the Corpus Christi Mayor's Task Force on Water Issues, serving as a member of the San Antonio Joint Committee on Water Resources, and serving as a member of the Policy Management Committee on the Trans-Texas Water Program;

**NOW, THEREFORE, BE IT RESOLVED THAT THE SOUTH TEXAS WATER AUTHORITY**, hereby recognizes Con Mims for 50 years of service to South Texas and his numerous contributions to water resource planning and protection of water resources

Passed and adopted this 26<sup>th</sup> day of February, 2019.

By: \_\_\_\_\_  
Kathleen Lowman  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Rudy Galvan  
Secretary, Board of Directors

[SEAL]

ATTACHMENT 23

Interlocal Agreement – Choice Partners Cooperative

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 19, 2019  
Re: Choice Partners Cooperative

### Background:

After the last Board meeting, our office was visited by a representative of the Choice Partners Cooperative. This entity is similar to the BuyBoard coop and was formed from the purchasing cooperative of the Harris County Department of Education. Membership in the Coop is free.

### Analysis:

This Coop is similar to the BuyBoard, HGACBuy (Houston Galveston Area Council), and GoodBuy cooperative buying entities.

### Staff Recommendation:

Authorize staff to execute the Interlocal Agreement with Harris County Department of Education in order to become a member of the Choice Partners Cooperative.

### Board Action:

Determine whether to authorize staff to execute the Interlocal Agreement with Harris County Department of Education in order to become a member of the Choice Partners Cooperative.

### Summarization:

Joining the Choice Partners Cooperative provides another option to purchasing goods at a reduced price at no extra cost to STWA.



**Interlocal Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and other similar, applicable laws of other states, this Interlocal Agreement (“Agreement”) is made and entered into by and between Harris County Department of Education (“HCDE”), located in Houston, Texas, and \_\_\_\_\_, a local governmental entity and/or political subdivision (“LGE”), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of contracting for the performance of governmental functions and services. The undersigned may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Both HCDE and LGE desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Term.** The term of this Agreement shall commence on the date of the first signature of this Agreement (“Effective Date”) and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
2. **Agreement.** The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
3. **Purpose and Scope of Work.**
  - A. **HCDE agrees to:**
    - Provide LGE with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon LGE’s submission of independent contracts or purchase orders to HCDE and HCDE’s acceptance thereof. HCDE’s obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE’s obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.
  - B. **LGE agrees to:**
    - Participate in any or all of the programs and services that HCDE offers, in LGE’s sole discretion.

- Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that LGE desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as LGE's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of LGE.
5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and LGE.

LGE agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by LGE. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.

6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice LGE for the HCDE programs and services that LGE purchases from HCDE. LGE agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date LGE receives the goods; (2) the date the performance of the service is completed; or (3) the date LGE receives an invoice for the goods or service. If LGE makes a payment to HCDE with a credit card, LGE agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If LGE elects to participate in HCDE's cooperative purchasing program, Choice Partners, LGE shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to LGE for participation in Choice Partners. LGE shall make payments directly to vendors. LGE shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. LGE shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between LGE and the vendor. HCDE is not responsible or liable for the performance of any vendor used by LGE as a result of this Agreement or LGE's participation in Choice Partners.
9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.

10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:

- By either Party, with or without cause, upon thirty (30) days' prior written notice;
- By mutual written agreement of the Parties; or
- By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.

Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and LGE or between LGE and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, LGE shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.

11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.

12. Conflict of Interest. During the Term of HCDE's service to LGE, LGE, its personnel and agents, shall not, directly or indirectly, whether for LGE's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.

13. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.

14. Notice. Any notice provided under the terms of this Agreement by either party to the other shall be in writing and shall be sent by **certified mail, return receipt requested**. Notice to shall be sufficient if made or addressed as follows:

Harris County Department of Education  
Attn: James Colbert, Jr.  
County School Superintendent  
6300 Irvington Blvd.  
Houston, Texas 77022  
713-694-6300

\_\_\_\_\_ (“LGE”)  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

15. Relation of Parties. It is the intention of the parties that LGE is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and LGE or HCDE and any of LGE's representatives.

16. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide LGE with programs or services. During the Term of this Agreement, LGE reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.

17. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
18. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
  - Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
19. Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
20. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
21. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.
22. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.
23. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
24. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and LGE have executed this Agreement to be effective on the date specified in Article 1. Term above:

Harris County Department of Education

\_\_\_\_\_  
Name of Local Governmental Entity

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
James Colbert, Jr.

\_\_\_\_\_  
Printed Name

County School Superintendent

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Type of Local Governmental Entity (*select one*):

- School District       Charter School
- County                 City/Municipality
- University             College
- State Entity
- Governmental entity/other: \_\_\_\_\_



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**Become a Member**

# Become a Member

Access the forms to become a Member. Texas entities download and sign Interlocal Contract.  
 Not a Texas entity? An interlocal contract may not be required - check your state law.  
 (K-12 school, city, county, community college, university, other or interstate)  
 \* = denotes required field

|                                   |  |                                    |
|-----------------------------------|--|------------------------------------|
| <b>*NAME</b>                      | <b>*ORGANIZATION NAME</b>                      | <b>TITLE</b>                       |
| <input type="text" value="Name"/> | <input type="text" value="Organization Name"/> | <input type="text" value="Title"/> |

|                                      |                                   |   |                                  |
|--------------------------------------|-----------------------------------|---|----------------------------------|
| <b>*ADDRESS</b>                      | <b>*CITY</b>                      | <b>*STATE</b>                                 | <b>*ZIP</b>                      |
| <input type="text" value="Address"/> | <input type="text" value="City"/> | <input type="text" value="Select A State ▼"/> | <input type="text" value="Zip"/> |

|   |   |
|---|---|
| <b>*PHONE</b>   | <b>*EMAIL</b>                                       |
| <input type="text"/><br><input type="text"/><br><input type="text"/><br>Ext. <input type="text"/> | <input type="text" value="ex: myname@example.com"/> |

**\*HOW DID YOU HEAR ABOUT CHOICE PARTNERS COOPERATIVE?: (IF BY VENDOR, WHICH VENDOR)**

I AM SIGNING UP AS AN OUT-OF-STATE ENTITY WHERE OUR STATE LAW DOES NOT REQUIRE SIGNING AN INTERLOCAL CONTRACT.

provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.

(3) The powers conferred by this section are in addition and supplemental to the powers conferred by any other law, and any limitations imposed by this section shall not affect powers conferred by any other law.

(4) This subsection (b) shall not apply to:

(A) Purchases of new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in § 12-3-1208; or

(B) Purchases of construction, engineering or architectural services, or construction materials.

State of Texas Statutes

Government Code

Title 7. Intergovernmental Relations

Chapter 791 Interlocal Cooperation Contracts

Subchapter C. Specific Interlocal Contracting Authority

§ 791.001 Government Purpose

The purpose of this chapter is to increase the efficiency and effectiveness of local governments by authorizing them to contract, to the greatest possible extent, with one another and with agencies of the state.

§ 791.003 Government Definitions

(2) "Interlocal contract" means a contract or agreement made under this chapter.

(4) "Local government" means a:

(A) county, municipality, special district, or other political subdivision of this state or another state;

(B) local government corporation created under Subchapter D, Chapter 431, Transportation Code; or

(C) political subdivision corporation created under Chapter 304, Local Government Code;

(D) local workforce development board created under Section 2308.253; or

(E) combination of two or more entities described by Paragraph (A), (B), (C), or (D).

(5) "Political subdivision" includes any corporate and political entity organized under state law

§ 791.025 Government Contracts for Purchases

(a) A local government, including a council of governments, may agree with another local government or with the state or a state agency, including the comptroller, to purchase goods and services.

(b) A local government, including a council of governments, may agree with another local government, including a nonprofit corporation that is created and operated to provide one or more governmental functions and services, or with the state or a state agency, including the comptroller, to purchase goods and any services reasonably required for the installation, operation, or maintenance of the goods. This subsection does not apply to services provided by firefighters, police officers, or emergency medical personnel.

(c) A local government that purchases goods and services under this section satisfies the requirement of the local government to seek competitive bids for the purchase of the goods and services.

(d) In this section, "council of governments" means a regional planning commission created under Chapter 391, Local Government Code.

State of Utah Statutes

Title 11 Cities, Counties, and Local Taxing Units  
Chapter 13 Interlocal Cooperation Act

§ 11-13-102. Purpose of chapter.

The purpose of this chapter is:

(1) to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and under forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

(2) to provide the benefit of economy of scale, economic development, and utilization of natural resources for the overall promotion of the general welfare of the state.

§ 11-13-103. Definitions.

(10) "Out-of-state public agency" means a public agency as defined in Subsection (13)(c), (d), or (e).

(13) "Public agency" means:

(a) a city, town, county, school district, special district, or other political subdivision of the state;

(b) the state or any department, division, or agency of the state;

(c) any agency of the United States;

(d) any political subdivision or agency of another state or the District of Columbia including any interlocal cooperation or joint powers agency formed under the authority of the law of the other state or the District of Columbia; and

(16) "Utah public agency" means a public agency under Subsection (13)(a) or (b).

§ 11-13-201. Joint exercise of power, privilege, or authority by public agencies — Relationship to the Municipal Cable Television and Public Telecommunications Services Act.

(1)(a) Any power, privilege, or authority exercised or capable of exercise by a Utah public agency may be exercised and enjoyed jointly with any other Utah public agency having the power, privilege, or authority, and jointly with any out-of-state public agency to the extent that the laws governing the out-of-state public agency permit such joint exercise or enjoyment.

(b) Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges, and authority conferred by this chapter upon a public agency.



ATTACHMENT 24

Annexation Petition – Patricios Riojas, III and Angel Gonzales Riojas

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: February 22, 2019  
Re: Annexation Petition—Patricios Riojas III and Angel Gonzales Riojas – Tract 1 of Cyndie Park Unit 2, Nueces County, Texas

### Background:

As the Board is aware, from time to time, a property owner living outside of South Texas Water Authority's (STWA) district boundaries will request retail water service from the Nueces Water Supply Corporation (NWSC). The property owner is required to request annexation into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically their NWSC retail water bill and property taxes to STWA.

As previously discussed as part of various Cyndie Park 2 Water Supply Corporation (CP2WSC) agenda items, for numerous years the Nueces County Grant Department has worked to secure grant funds to extend water service to the Cyndie Park area in order to eliminate use of the CP2WSC's groundwater well which contains arsenic that exceeds the Maximum Contaminant Level (MCL). A filtration system was installed on the groundwater well; however, the filter media was an expensive solution that the CP2WSC cannot afford to replace on a regular basis.

Ultimately, grant money was secured and a waterline was installed extending from the closest NWSC line to a CP2WSC waterline. Funds were also secured to construct a separate pump station adjacent to the existing Banquete Pump Station. The Board will recall that STWA is providing land for that station. The NWSC is providing \$50,000 in matching funds.

The long-term plan has been to have NWSC "absorb" the CP2WSC service area in a process required by the Texas Public Utility Commission (TPUC) referred to as a Sale, Transfer, Merger (STM). That process is very close to completion. The Board will recall approving an amendment to NWSC's contract to address peak hour demand in order to receive TCEQ's letter of approval that the TPUC is requiring. This brings the process to two (2) of the final steps – signing an NWSC Service Agreement and the property owners requesting Annexation into STWA's District.

### Analysis:

As reported in previous weekly updates, staff anticipates that there will be numerous similar items in upcoming agendas to address this long-awaited project.

### Staff Recommendation:

Adopt Resolution 19-11.

### Board Action:

Determine whether to adopt Resolution 19-11.

### Summarization:

Accepting the petition and publishing notice of a hearing date and time, enables the landowner to receive service and provides uniformity between all NWSC members.

PETITION FOR ADDITION OF CERTAIN LANDS TO  
THE SOUTH TEXAS WATER AUTHORITY

STATE OF TEXAS :  
COUNTY OF NUECES :

TO THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY:

The undersigned (herein called "Petitioner"), holder of title to the territory described by metes and bounds in Exhibit "A" which is attached hereto and incorporated herein for all purposes, being all of the residents and landowners of such territory, as shown by the tax rolls of Nueces County, Texas, and acting pursuant to the provisions of Section 11006.052, Special District Local Laws Code, respectfully petitions the Board of Directors of South Texas Water Authority that the territory described by metes and bounds in Exhibit "A" be added to and become a part of the established South Texas Water Authority, and in support of this petition would show as follows:

I.

Fee simple title and full ownership of the aforesaid territory, which lies wholly within Nueces County, Texas, is vested in Petitioner.

II.

The addition of said territory to South Texas Water Authority is feasible and practical, would be to the best interest both to the territory and to the Authority and would benefit said territory.

III.

The Authority will be able to supply water, or have water supplied, to the added territory.

IV.

This petition shall constitute an election on the part of the Petitioner, its successors and assigns, for the aforesaid land and any improvements which may be constructed thereon to become liable for all present and future debts of the Authority in the same manner and to the same extent as other lands and improvements in the Authority are liable for the Authority's debts.

V.

Petitioner hereby authorizes the Board of Directors of the Authority to levy taxes and set rates sufficient to pay their share of the aforementioned outstanding indebtedness.

WHEREFORE, Petitioner prays that this petition be properly filed, as provided by law; that the Board of Directors of South Texas Water Authority hear and consider the petition in keeping with the provisions of Section 11006.052, Special District Local Laws Code and that this petition in all things be granted and that the territory described in Exhibit "A" be added to and become a part of the established South Texas Water Authority; that after this petition is granted the Board's order thereon be filed of record and be recorded in the Deed Records of Nueces County, Texas; and that the area described in Exhibit "A" be thereafter a component part of South Texas Water Authority.

[Signatures and Acknowledgement on following page.]

EXECUTED this 29 day of JANUARY, 2019.

[Signature]  
Patricios Riojas, III.

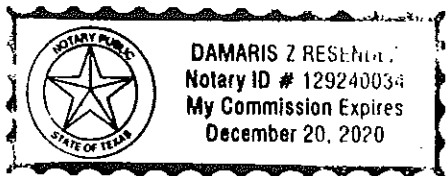
[Signature]  
Angel Gonzales Riojas

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Patricios Riojas, III. on this the 29th day of January, 2019.



[Signature]  
Notary Public

My Commission Expires: 12.20.2020

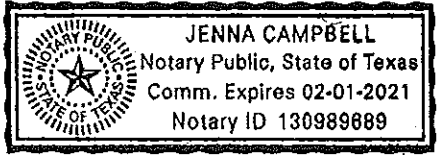
NOTARY SEAL

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Angel Gonzales Riojas (Ejps) on this the 30th day of January, 2019.



[Signature]  
Notary Public

My Commission Expires: 02-01-2021

NOTARY SEAL

Exhibit "A"

To

PETITION FOR ADDITION OF CERTAIN LANDS TO  
THE SOUTH TEXAS WATER AUTHORITY

Property Description:

Tract One (1), CYNDIE PARK UNIT 2, in Nueces County, Texas, being a tract of land containing 0.575 acres, more or less, out of a 29.59 acre Unit No. 2 out of 59.59 acres, more or less, out of that 238.79 acres standing in the names of John S. McGregor and C.C. Speed by deed recorded in Volume 1840, Page 1017 of the Deed Records of Nueces County, Texas and all being out of THE CASA BLANCA GRANT and being a part of Blocks Twenty-Four (24) and Twenty-Five (25) of the MANTOR, BRIGGS & KUYKENDALL SUBDIVISION of 5155.97 acres in Nueces County, Texas, according to map or plat recorded in Volume 2, Page 57 of the Map Records of Nueces County, Texas and being more particularly described on Exhibit "A" of the Warranty Deed recorded under Document No. 2001010523 of the Official Records of Nueces County, Texas.

ATTACHMENT 25

Resolution 19-11

SOUTH TEXAS WATER AUTHORITY

Resolution 19-11

RESOLUTION OF DETERMINATION OF VALIDITY OF ANNEXATION PETITION,  
SETTING PUBLIC HEARING AND AUTHORIZING PUBLICATION OF NOTICE.

WHEREAS, Patricios Riojas, III and Angel Gonzales Riojas (Petitioners), have filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of their property into the South Texas Water Authority in order to allow water service to their property to be provided by Nueces Water Supply Corporation, and

WHEREAS, the South Texas Water Authority Board of Directors has reviewed the Petition and finds that it meets all of the requirements for annexation into the South Texas Water Authority's District, and

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on March 26, 2019 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on March 26, 2019 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 26th day of February, 2019.

---

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

---

RUDY GALVAN, JR., SECRETARY/TREASURER

NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS  
SOUTH TEXAS WATER AUTHORITY

Pursuant to a Resolution adopted by the Board of Directors of South Texas Water Authority, a hearing shall be held at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas, on March 26, 2019 at 5:30 p.m. with respect to the Petition filed by Patricios Riojas, III and Angel Gonzales Riojas for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 26th day of February, 2019.

Kathleen Lowman, President  
Board of Directors  
South Texas Water Authority

That certain lot or tract of land situated in Nueces County, Texas, and more particularly described as follows:

Tract One (1), CYNDIE PARK UNIT 2, in Nueces County, Texas, being a tract of land containing 0.575 acres, more or less, out of a 29.59 acre Unit No. 2 out of 59.59 acres, more or less, out of that 238.79 acres standing in the names of John S. McGregor and C.C. Speed by deed recorded in Volume 1840, Page 1017 of the Deed Records of Nueces County, Texas and all being out of THE CASA BLANCA GRANT and being a part of Blocks Twenty-Four (24) and Twenty-Five (25) of the MANTOR, BRIGGS & KUYKENDALL SUBDIVISION OF 5155.97 acres in Nueces County, Texas, according to map or plat recorded in Volume 2, Page 57 of the Map Records of Nueces County, Texas and being more particularly described on Exhibit "A" of the Warranty Deed recorded under Document No. 2001010523 of the Official Records of Nueces County, Texas.