

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Brandon Barrera, President
DATE: May 17, 2021
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, May 25, 2021
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. New Board member's oath of office.
4. Approval of Minutes. (Attachment 1)
5. Treasurer's Report/Payment of Bills. (Attachment 2)
6. **Resolution 21-07.** Resolution appointing Carola G. Serrato, Executive Director, to serve as Chief Tax Assessor for the South Texas Water Authority and First and Second Alternates Jo Ella Wagner and Frances De Leon in her absence. (Attachment 3)
7. **Resolution 21-08.** Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County. (Attachment 3)
8. **Resolution 21-09.** Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County. (Attachment 3)

9. **Resolution 21-10.** Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans. (Attachment 3)
10. Preliminary Nueces and Kleberg County Appraisal District Values. (Attachment 4)
11. Consideration of offers made to Linebarger, Goggan, Blair & Sampson, LLP for Tax Resale properties in Nueces County. (Attachment 5)
12. **Resolution 21-11.** Resolution approving the sale of delinquent tax properties for less than the amount of taxes owed or the most recent value determined by the appraisal district, whichever is less. (Attachment 6)
13. Nueces County project for construction of Banquete Pump Station to serve the Nueces Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation. (Attachment 7)
14. Any and all actions necessary or convenient to facilitate the new executive director recruitment process. (Attachment 8)
15. Wholesale Water Supply Contract with the City of Corpus Christi. (Attachment 9)
16. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities. (Attachment 10)
17. Incremental Increase Policy to address Customers without a Long-Term Contract. (Attachment 11)
18. February 2021 winter storm/freeze event. (Attachment 12)
19. ERCOT Ancillary Service Charges and payment options. (Attachment 13)
20. Declaration of salvage/surplus property. (Attachment 14)
21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place. (Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas. (Attachment 15)
22. **Resolution 21-12.** 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. (Bobbie and Ray Villarreal) (Attachment 16)

23. 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.

BB/CGS/fdl
Attachments

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices,
2302 East Sage Road, Kingsville, Texas, at
3:60 am/pm on May 21, 2021
James DeLeon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
April 27, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Hector Castaneda
Rudy Galvan, Jr.
Frances Garcia
Kathleen Lowman
Patsy Rodgers

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Dony Cantu
Nigel Gomez

Guests Present:

None

1. Call to Order.

Mr. Brandon Barrera, 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.

Mr. Barrera opened the floor to citizen's comments. No comments were made.

3. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the March 23, 2021 Regular Meeting as presented. Mr. Galvan seconded. The motion passed by unanimous vote.

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

The following reports were presented for the Board's consideration:

STWA Investment Report for Quarter Ended March 31, 2021
Treasurer's Report for period ending March 31, 2021
Revenue Fund Income Statement for period ending March 31, 2021
Tax Fund Income Statement for period ending March 31, 2021
Special Services Income Statement for period ending March 31, 2021
STWA Revenue Fund Balance Sheet – March 31, 2021
STWA Revenue Fund GL Account Summary Report as of March 31, 2021
STWA Debt Service Fund Income Statement for period ending March 31, 2021

STWA Debt Service Fund Balance Sheet – March 31, 2021
STWA Debt Service Fund GL Account Summary Report as of March 31, 2021
STWA Capital Projects Fund Income Statement for period ending March 31, 2021
STWA Capital Projects Fund Balance Sheet – March 31, 2021
STWA Capital Projects Fund GL Account Summary Report as of March 31, 2021
Cathodic Protection Expenses Breakdown
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor
Cathodic Protection Update

The following outstanding invoices were presented for Board approval:

• Willatt & Flickinger	\$ 1,010.60
• City of Corpus Christi	\$ 108,311.03
• Camacho Demolition, LLC	\$ 41,985.00

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

5. Fiscal Year 2021 Budget Amendments.

Ms. Serrato reviewed the proposed amendments to the FY 2021 Budget Amendments. She stated that Total Revenues decreased by \$2,053 based on a decrease in interest income but were offset by increases from the Driscoll pay plan interest and Driscoll's M&O agreement. Total Administrative/Operations Expenditures without Capital Outlay increased by \$21,000. Capital Outlay increased by \$12,437. Other Finance Sources increased by \$3,527 and Deficiencies of Revenues over Expenditures increased by \$27,877 for a Net Income of \$264,120 compared to the original budget's ending balance of \$291,997. Ms. Serrato noted that two expenses, Ray Associates, Inc.'s recruitment services and the camera system purchase, were not budgeted last year and accounted for the majority of the decrease in Net Income. Mr. Gravely made a motion to approve the FY 2021 Budget Amendments. Mr. Galvan seconded. The motion carried.

6. Nueces County project for construction of Banquete Pump Station to serve the Nueces County Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation.

Ms. Serrato stated that a walk-thru was not performed on April 15th due to unfinished punch list items at the new pump station and the existing pump station which are providing service. She presented the walk-thru punch list provided by Ardurra. She added that problems occurred at the new pump station on April 24th when the VFD controller overheated preventing the pumps from turning on. Rural customers experienced a drop in pressure and the original pump station was used for the rural system. Once the final walk-thru is completed and Nueces County accepts the project, title transfer to STWA and NWSC will need to be done.

7. Any and all actions necessary or convenient to facilitate the new executive director recruitment process.

Ms. Serrato reported that six applications have been received. Ms. Ray is in the process of reviewing the applications and has extended the deadline to the end of April. Ms. Serrato had nothing further to report.

8. Wholesale Water Supply Contract with the City of Corpus Christi.

Ms. Serrato stated that Corpus Christi Assistant City Attorney Lisa Aguilar responded to Bill Flickinger, Willatt & Flickinger, regarding the revised draft that was sent to the City and asked the purpose for removing Section 18 of the contract. Mr. Flickinger has responded with the reasons for the change. Ms. Serrato stated she and Mr. Flickinger will continue trying to get a meeting set up with the City.

9. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operations and Maintenance of Facilities.
10. Incremental Increase Policy to address Customers without a Long-Term Contract.

Ms. Serrato said that she recently attended NCWC&ID #5's board meeting and provided the District's board with information on the water supply contract including a summary of the contract. The NCWC&ID #5 board did not take any action on the Water Supply Contract and briefly discussed the Maintenance and Operations Contract. Ms. Serrato informed the District that staff would revisit the cost allocations previously calculated.

Ms. Serrato informed the STWA Board that no requests for modifications to the contract have been received and Mr. Flickinger has not received a response from the District's attorney, Gerald Benadum. She presented a draft letter to NCWCID #5 summarizing the recent discussions, notifying the District of possible action regarding the Incremental Fee, and operation of the stand-alone, existing station. Mr. Graveley made a motion to authorize sending the letter. Mr. Galvan seconded and all voted in favor.

Ms. Serrato explained that Nueces County Water Control & Improvement District #5 remains the only customer without a Water Supply Contract and recommended that the Board consider authorizing staff to request a proposal from NewGen Strategies to revisit the matter and provide an updated report. The Board agreed to wait on any action by the NCWCID #5.

11. Review of South Texas Water Authority Personnel Policies – Retiree Benefits.

Ms. Serrato stated that as discussed at meetings last year, she requests that the Board consider offering a retiree medical insurance benefit. She suggested making the benefit available to employees based on a minimum number of service years to STWA. She added that the number of years could be cumulative but the latest round of service should be a minimum of ten years. The Board would need to set the number of benefit months with coverage ceasing upon eligibility of Medicare or other government healthcare coverage

12. Resolution 21-06. Resolution adopting the revised South Texas Water Authority Personnel Policies – Retiree Benefits.

Ms. Lowman made a motion to adopt Resolution 21-06 approving paid health insurance (employee-only) coverage for three months to retirees with a minimum of twenty years of service and at least 10 years consecutive employment upon retirement. Mr. Gravely seconded. All voted in favor.

13. February 2021 winter storm/freeze event.

Ms. Serrato presented spreadsheets illustrating costs of the storm damage broken down by pump station. The total cost is \$32,058.83. She pointed out that as expected, the time and materials associated with the Sablatura Park Pump Station were the most expensive. Insurance claims have been filed on the damage. She will continue to provide updates to the Board.

14. Purchase of replacement tablets for Board of Directors.

Ms. Serrato stated that this agenda item was added in response to a request from a Board member due to issues with his tablet. She added that the tablets used for the Board meetings were purchased in 2013 and some have started experiencing problems accessing the internet and updating applications. She provided information from Best Buy showing a price of \$229.99 per tablet and recommended replacing the devices. Some Board members indicated that their tablets are still functioning and others said they prefer to use their own device. Mr. Graveley made a motion to authorize purchase of new tablets for those who need a replacement. Mr. Galvan seconded. All voted in favor.

15. Vacation/Personal/Compensatory Leave carryover.

Ms. Serrato stated that in July of 2020 the Board agreed to suspend the maximum hours for vacation leave and the 8-hour/December 31st carryover limit on personal leave. She asked whether the Board would like to consider rescinding this action or continue keeping the suspension in place. Mr. Graveley made a motion to table this item. Mr. Galvan seconded. All voted in favor.

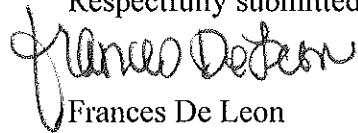
16. On-Call concerns.

Ms. Serrato reported that a possible false alarm was received by the answering service and she wanted to make the Board aware in case further problems arise. She added that the call-out resulted in overtime for the Ricardo Water Supply Corporation and the RWSC Board has been made aware of the situation. Mr. Barrera announced that the Board would convene in Closed Session at 6:27 p.m. pursuant to Section 551.074 of the Government Code to discuss personnel matters and on-call concerns. The Board reconvened in Open Session at 6:41 p.m. No action was taken during Closed Session. Mr. Gravely made a motion to report the incident to law enforcement in order to have a report of the incident on file. Ms. Garza seconded. All voted in favor.

17. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 6:43 p.m. Mr. Graveley seconded. The motion passed by unanimous vote.

Respectfully submitted,

A handwritten signature in cursive script that reads "Frances De Leon". The signature is written in black ink and is positioned above the printed name.

Frances De Leon
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

**The South Texas Water Authority
Treasurer's Report for April, 2021
will be sent under separate cover
prior to the Board Meeting.**

**About 2-3 weeks ago, staff began using
Black Mountain Software (BMS).
There were some problems with
posted data that did not transfer from
the old Sage system which
is being re-entered in BMS.**

**In addition, staff
is still learning the programs causing
a delay in the financial reporting.**

SOUTH TEXAS WATER AUTHORITY
Treasurer's Report
For Period Ending April 30, 2021

STWA Water Sales:

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.623022 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	9,121	\$23,924.58	\$3,889.07	\$0.00	\$0.00	\$27,813.65
Bishop	6,772	\$17,763.10	\$2,887.49	\$0.00	\$0.00	\$20,650.59
Agua Dulce	2,356	\$6,178.66	\$1,004.37	\$0.00	\$0.00	\$7,183.03
RWSC	9,209	\$24,155.41	\$3,926.59	\$0.00	\$0.00	\$28,082.00
Driscoll	2,973	\$7,798.24	\$1,267.65	\$0.00	\$0.00	\$9,065.89
NCWCID #5	1,896	\$4,973.41	\$808.45	\$808.45	\$815.01	\$7,405.32
NWSC	14,403	\$37,778.91	\$6,141.16	\$0.00	\$0.00	\$43,920.07
TOTAL	46,729	\$122,572.32	\$19,924.77	\$808.45	\$815.01	\$144,120.56

Water Cost and Usage for Period of:

	03/31/21	04/30/21
City of Corpus Christi Invoice for Cost of Water Purchased:		\$126,429.68
Gallons of Water Recorded by City of Corpus Christi:		48,200,000
Gallons of Water Recorded by STWA from Customer's Master Meters:		46,729,430
Water Loss Percentage:		3.05%

Annual Usage for FY 2021

	Annual
Gallons of Water Recorded by City of Corpus Christi:	308,250,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	312,074,474
Water Loss Percentage: (year to date)	-1.24%

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
4/23/2021	Hilltop Securities	103618	Annual bond disclosurew/ SEC	pending	\$2,500.00
4/30/2021	Willatt & Flickinger		April 2021 Legal	pending	\$1,173.30
5/6/2021	City of Corpus Christi		April Water Usage	paid	<u>\$126,429.68</u>
					\$130,102.98



April 23, 2021
GL Ref Number: 0223008

Invoice Number: 103618
Anne Burger Entekin

Invoice

Carola Serrato
Executive Director
South Texas Water Authority
111 Sage Road
Kingsville, TX 78364

Re: South Texas Water Authority
Annual Report - General Obligation- March 2021

Continuing Disclosure Services

Annual Report-General Obligation
Total

\$2,500.00
\$2,500.00

Please Remit Payment To:
*Receipts & Disbursements
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, TX 75270*

Wiring and ACH Instructions
*JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, NY 10017-2070
For Wires: ABA # 021000021
For ACH: ABA # 111000614
Hilltop Securities Inc.
Acct # 08805076955
Attention: Settlement Dept*

WILLATT & FLICKINGER, PLLC
ATTORNEYS AT LAW

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

April 30, 2021

Ms. Carola Serrato
Executive Director
South Texas Water Authority
2302 E. Sage Road
Kingsville, Texas 78363

FOR PROFESSIONAL SERVICES RENDERED since the date of last billing:

GENERAL

BILL FLICKINGER

- 04/07/21 Telephone conferences with Carola Serrato on status of execution of Bishop easement. Review document signed by City of Bishop. (0.3 Hours). Additional emails with Carola Serrato on same. (0.2 Hours).
- 04/12/21 Email to Jerry Benadum on Banquete Water Supply Contract. (0.2 Hours).
- 04/13/21 Receive and review email from Carola Serrato on tomorrow's Banquete Water District meeting and pending contract and rate issues. Telephone conference with Carola Serrato on same. (0.2 Hours).
- 04/14/21 Telephone conference with Carola Serrato on tonight's Banquete Water District Board meeting. (0.2 Hours). Additional telephone conference with Carola Serrato on Banquete Water Supply Contract. Create revised redline draft of same and email to Carola Serrato. (0.5 Hours).
- 04/15/21 Telephone conference with Carola Serrato on last night's Banquete Water District meeting. (0.3 Hours).
- 04/19/21 Follow-up email to Lisa Aguilar on status of review of most recent redline draft of water supply contract with the City of Corpus Christi. (0.2 Hours).
- 04/22/21 Emails with Carola Serrato on draft letter regarding Nueces WCID No. 5. (0.2 Hours).
- 04/23/21 Receive and review email from Lisa Aguilar on draft contract with the City of Corpus Christi. (0.2 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours). Email to Lisa Aguilar in response. (0.2 Hours).

April 30, 2021
Page 2

04/28/21 Telephone conference with Carola Serrato on last night's Board meeting. (0.2 Hours).

Attorney BF: 3.1 Hours

ALLISON NIX

04/28/21 Review laws regarding employment discrimination. (0.7 Hours).

04/29/21 Continue review of federal law regarding employment discrimination. (0.3 Hours).

Legal Assistant AN: 1.0 Hours

Attorney BF: 3.1 Hours @ \$325.00 per hour	\$1,007.50
Attorney MM: 0 Hours @ \$325.00 per hour	
Legal Assistant AN: 1.0 Hours @ \$115.00 per hour	\$115.00

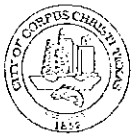
CLIENT EXPENSES

149 Photocopies @ \$0.20 each \$29.80

42 Color photocopies @ \$0.50 each \$21.00

Total Client Expenses \$50.80

TOTAL AMOUNT DUE \$1,173.30



**CITY OF
CORPUS
CHRISTI**

Monthly Statement of Utility Services
City of Corpus Christi
P.O. Box 8257 • Corpus Christi, TX 78469-9257
(361) 826-CITY • www.cctexas.com

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 5/6/2021
Due Date: 5/27/2021
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: 4736317

QUESTIONS ABOUT YOUR BILL?

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

IMPORTANT MESSAGES

Get free vaccinations!

Covid-19 vaccines are available at La Palmera Mall, during mall hours.
5488 SPID, Corpus Christi (At the former Channing Charlie store).

- Easy, fast and convenient
- No appointment or ID required
- Must be at least 16 years old
- For more info visit: cctexas.com/coronavirus

Stage 1 Drought Response Remains in Effect

Residential conservation efforts are under the following guidelines and enforcement:

- Residents can use their irrigation system **once per week**, on your trash collection day, before 10 a.m. and after 6 p.m.
- Home foundations can be watered **once per week** on your trash collection day with a hose or drip irrigation.
- Hand watering is allowed on any day with a shut-off spray nozzle.
- Learn more at cctexas.com/conserv

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

Working to Serve YOU Better.

BATCH1
6613



SOUTH TX WATER AUTH
2302 E SAGE RD
KINGSVILLE TX 78363-3328



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

Account Number	Due Date	Amount Due
20004093	5/27/2021	\$126,429.68

If payment is received after the due date, a five percent penalty will be assessed.

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

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



200040930126429684

RECEIVED

MAY 12 2021

SOUTH TEXAS WATER AUTHORITY

ACCOUNT SUMMARY

PREVIOUS BALANCE	\$108,311.03
TOTAL PAID SINCE LAST BILL	-\$108,311.03
NEW CHARGES	
*WATER	\$71,096.08
RWCA \$1.148/TGAL	\$55,333.60
TOTAL WATER	\$126,429.68
NEW CHARGES DUE BY 5/27/2021:	\$126,429.68
AMOUNT DUE	\$126,429.68

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

*A portion of your water charges are used to pay for stormwater management and infrastructure maintenance, which help prevent flooding and keep pollution from getting into our creeks, bays, estuaries, and ocean.



**CITY OF
CORPUS
CHRISTI**

Monthly Statement of Utility Services
City of Corpus Christi
P.O. Box 8257 • Corpus Christi, TX 78469-8257
(361) 826-CITY • www.cctexas.com

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 5/6/2021
Due Date: 5/27/2021
Page: Page 2 of 2

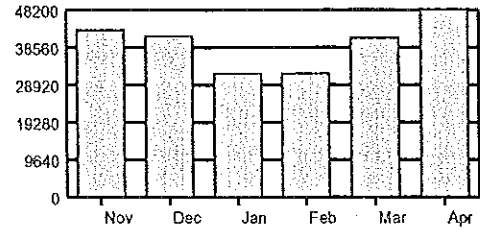
METER INFORMATION

SERVICE PERIOD: 3/31/2021 - 4/30/2021 31 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 4/30/2021
WT200006	WA	5819750	5771550	48200

CONSUMPTION HISTORY

Meter ID: WT200006



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.
- Online Payment - Register via Dynamic Portal at 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.

**CATHODIC PROTECTION
FY2021**

	Payroll	Construction & Materials	Engineering	Total
October 2020	\$10,239.29	\$8,885.90		\$19,125.19 Due from Capital Projects Fund
November 2020	\$10,404.64	\$1,040.36		\$11,445.00 Due from Capital Projects Fund
December 2020	\$14,089.46	\$919.33		\$15,008.79 Due from Capital Projects Fund
January 2021	\$10,442.64	\$216,640.76	\$2,175.00	\$227,083.40 Due from Capital Projects Fund
February 2021	\$6,257.74	\$1,318.35		\$7,576.09 Due from Capital Projects Fund
March 2021	\$6,100.27	\$35,317.92		\$41,418.19 Due from Capital Projects Fund
April 2021	\$0.00	\$0.00		\$0.00 Due from Capital Projects Fund
May 2021	\$0.00	\$0.00		\$0.00 Due from Capital Projects Fund
June 2021	\$0.00	\$0.00		\$0.00 Due from Capital Projects Fund
July 2021	\$0.00	\$0.00		\$0.00 Due from Capital Projects Fund
August 2021	\$0.00	\$0.00		\$0.00 Due from Capital Projects Fund
September 2021	\$0.00	\$0.00		\$0.00 Due from Capital Projects Fund
Totals	<u>\$57,534.04</u>	<u>\$264,122.62</u>	<u>\$2,175.00</u>	<u>\$323,831.66</u>

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	1/1/21	Beginning Balance			
52101	Repairs & Maint-42" line	1/5/21	TRACTOR SUPPLY CREDIT PLAN - 2 Brazen Rods	31.98		
52101	Repairs & Maint-42" line	1/8/21	CITIBANK CORPORATE CARD - Waterproof wire connect	9.42		
52101	Repairs & Maint-42" line	1/20/21	TRACTOR SUPPLY CREDIT PLAN - Term ring- P Sendejo	13.98		
52101	Repairs & Maint-42" line	1/20/21	CITIBANK CORPORATE CARD - Concrete Bags or Wire connectors for CP	142.28		
11900	Capital Acquisition	1/31/21	CAPITAL PROJECTS CONTRIBUTION- New Banquete Pump Station	216,443.10		
11900	Engineering	1/6/21	LNV, INC. - 42" Transmission Main Line Mapping	2,175.00		
			Current Period Change	218,815.76		218,815.76
		1/31/21	Ending Balance			334,196.32

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	2/1/21	Beginning Balance			
52101	Repairs & Maint-42" line	2/4/21	CORPUS CHRISTI ELECT. CO - 40 3" 2hole rigid strap	49.60		
52101	Repairs & Maint-42" line	2/4/21	CORRPRO COMPANIES, INC. - Cott Big Fink 300 (20)	828.51		
52101	Repairs & Maint-42" line	2/22/21	McCOY'S BUILDING SUPPLY CENTER - Bolts/ vault ladders	19.11		
52101	Repairs & Maint-42" line	2/23/21	McCOY'S BUILDING SUPPLY CENTER - Wedge for Vault ladders	23.82		
52101	Repairs & Maint-42" line	2/28/21	CORRPRO COMPANIES, INC. - Bond straps	88.31		
52101	Repairs & Maint-42" line	2/28/21	CORRPRO COMPANIES, INC. - mastic	309.00		
52101	Repairs & Maint-42" line		Current Period Change	1,318.35		1,318.35
		2/28/21	Ending Balance			335,514.67

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	3/1/21	Beginning Balance			
52101	Repairs & Maint-42" line	3/5/21	CITIBANK CORPORATE CARD - Stewart Steel - Anodes 450	35,208.00		
52101	Repairs & Maint-42" line	3/9/21	LOWE'S BUSINESS ACCOUNT - 4x4x8 treated CP Inventory	109.92		
52101	Repairs & Maint-42" line		Current Period Change	35,317.92		35,317.92
		3/31/21	Ending Balance			370,832.59

ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-20	\$0.426386	\$2.5122	\$2.9385	\$0.426386	\$2.510093	\$2.936479	-\$0.0021
Nov-20	\$0.426386	\$2.5135	\$2.9399	\$0.426386	\$2.513835	\$2.940221	\$0.0003
Dec-20	\$0.426386	\$2.5138	\$2.9401	\$0.426386	\$2.527490	\$2.953876	\$0.0137
Jan-21	\$0.426386	\$2.6249	\$3.0513	\$0.426386	\$2.631209	\$3.057595	\$0.0063
Feb-21	\$0.426386	\$2.6271	\$3.0535	\$0.426386	\$1.789671	\$2.216057	-\$0.8374
Mar-21	\$0.426386	\$2.6254	\$3.0518	\$0.426386	\$2.625722	\$3.052108	\$0.0003
Apr-21	\$0.426386	\$2.6247	\$3.0511	\$0.426386	\$2.623022	\$3.049408	-\$0.0017
May-21	\$0.426386	\$2.6233	\$3.0497	\$0.426386		\$0.426386	-\$2.6233
Jun-21	\$0.426386	\$2.6239	\$3.0503	\$0.426386		\$0.426386	-\$2.6239
Jul-21	\$0.426386	\$2.6212	\$3.0476	\$0.426386		\$0.426386	-\$2.6212
Aug-21	\$0.426386	\$2.6206	\$3.0470	\$0.426386		\$0.426386	-\$2.6206
Sep-21	\$0.426386	\$2.6232	\$3.0496	\$0.426386		\$0.426386	-\$2.6232
Avg Cost	\$0.426386	\$2.5961	\$3.0225	\$0.426386	\$2.460149	\$2.886535	-\$0.1360

February rate from CC the result of freeze event adjustment - ~15MG usage credit

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All Customers	Budgeted			Actual			Difference		
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	Budgeted	Actual	Difference
Oct-20	43,985,423	54,520,780	10,535,357	13,409,136	16,272,510	2,863,374			
Nov-20	40,781,789	45,588,200	4,806,411	11,938,724	16,094,900	4,156,176			
Dec-20	40,241,637	41,449,800	1,208,163	11,858,380	14,504,350	2,645,970			
Jan-21	42,096,374	36,679,410	-5,416,964	12,731,444	12,833,310	101,866			
Feb-21	37,586,040	45,205,310	7,619,270	11,286,148	15,178,920	3,892,772			
Mar-21	40,974,824	41,914,040	939,216	12,087,707	14,009,290	1,921,583			
Apr-21	42,699,878	46,729,430	4,029,552	12,566,915	14,402,820	1,835,905			
May-21	46,406,955	0		14,220,525	0				
Jun-21	44,756,612	0		13,875,887	0				
Jul-21	53,195,923	0		16,689,681	0				
Aug-21	55,569,452	0		16,858,313	0				
Sep-21	46,458,380	0		14,238,446	0				
TOTAL	534,753,285	312,086,970	23,721,006	161,761,306	103,296,100	17,417,646			

Kingsville	Budgeted			Actual			Difference		
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	Budgeted	Actual	Difference
Oct-20	10,746,844	11,688,000	941,156	8,399,400	9,046,000	646,600			
Nov-20	10,746,844	4,723,000	-6,023,844	7,425,200	9,351,000	1,925,800			
Dec-20	10,746,844	6,184,000	-4,562,844	7,360,600	8,234,000	873,400			
Jan-21	10,746,844	5,026,000	-5,720,844	7,556,200	7,936,000	379,800			
Feb-21	10,746,844	6,457,000	-4,289,844	6,294,000	9,062,000	2,768,000			
Mar-21	10,746,844	6,047,000	-4,699,844	7,591,600	10,178,000	2,586,400			
Apr-21	10,746,844	9,121,000	-1,625,844	8,177,600	9,209,000	1,031,400			
May-21	10,746,844	0		8,927,600	0				
Jun-21	10,746,844	0		8,240,000	0				
Jul-21	10,746,844	0		10,438,400	0				
Aug-21	10,746,844	0		11,457,200	0				
Sep-21	10,746,844	0		9,424,800	0				
TOTAL	128,962,123	49,246,000	-25,981,905	101,292,600	63,016,000	10,211,400			

Bishop	Budgeted	Actual	Difference
Oct-20	3,976,000	10,079,000	6,103,000
Nov-20	3,715,000	8,117,000	4,402,000
Dec-20	3,289,200	6,128,000	2,838,800
Jan-21	3,684,200	4,137,000	452,800
Feb-21	2,578,200	7,640,000	5,061,800
Mar-21	3,347,267	4,707,000	1,359,733
Apr-21	3,511,822	6,772,000	3,260,178
May-21	4,082,000	0	
Jun-21	3,568,200	0	
Jul-21	5,725,400	0	
Aug-21	6,963,800	0	
Sep-21	3,308,200	0	
TOTAL	47,749,289	47,580,000	23,478,311

Banquete	Budgeted	Actual	Difference
Oct-20	2,050,176	1,634,680	-415,496
Nov-20	1,972,674	1,985,700	13,026
Dec-20	1,987,012	1,784,340	-202,672
Jan-21	2,034,876	1,991,150	-43,726
Feb-21	1,879,532	1,402,100	-477,432
Mar-21	1,901,436	1,632,890	-268,546
Apr-21	1,998,254	1,896,060	-102,194
May-21	2,096,482	0	
Jun-21	1,997,954	0	
Jul-21	2,351,988	0	
Aug-21	2,482,388	0	
Sep-21	2,073,826	0	
TOTAL	24,826,598	12,326,920	-1,497,040

Driscoll	Budgeted	Actual	Difference
Oct-20	3,271,571	3,711,000	439,429
Nov-20	3,126,325	3,275,000	148,675
Dec-20	3,053,569	2,920,000	-133,569
Jan-21	3,399,680	3,113,000	-286,680
Feb-21	3,065,060	3,846,000	780,940
Mar-21	3,394,360	3,078,000	-316,360
Apr-21	3,518,440	2,973,000	-545,440
May-21	3,834,880	0	
Jun-21	3,771,200	0	
Jul-21	4,532,200	0	
Aug-21	4,448,313	0	
Sep-21	4,373,140	0	
TOTAL	43,788,739	22,916,000	86,995

Agua Dulce	Budgeted	Actual	Difference
Oct-20	2,132,296	2,089,590	-42,706
Nov-20	1,857,022	2,041,600	184,578
Dec-20	1,946,032	1,695,110	-250,922
Jan-21	1,943,130	1,642,950	-300,180
Feb-21	1,736,256	1,619,290	-116,966
Mar-21	1,905,611	2,261,860	356,249
Apr-21	2,180,004	2,355,550	175,546
May-21	2,498,624	0	
Jun-21	2,556,528	0	
Jul-21	2,711,410	0	
Aug-21	2,612,594	0	
Sep-21	2,293,124	0	
TOTAL	26,372,631	13,705,950	5,599

Kingsville Bell Chart Values

	Target	Actual	Difference
	Volume	Volume	
Oct-20	12,523,440	11,688,000	-835,440
Nov-20	7,389,359	4,723,000	-2,666,359
Dec-20	5,905,073	6,184,000	278,927
Jan-21	4,650,000	5,026,000	376,000
Feb-21	6,784,078	6,457,000	-327,078
Mar-21	8,352,855	6,047,000	-2,305,855
Apr-21	10,965,223	9,121,000	-1,844,223
May-21	12,570,213	0	
Jun-21	14,329,855	0	
Jul-21	15,813,135	0	
Aug-21	16,015,817	0	
Sep-21	13,952,654	0	
TOTAL	129,251,702	49,246,000	-7,324,028

Net Revenue per Thousand (1,000) Gallons

Kingsville	Actual	Net Rev	Per 1000g		NWSC	Actual	Net Rev	Per 1000g
Oct-20	11,688,000	\$2,568.97	\$0.2198	2 months	Oct-20	16,272,510	\$5,046.94	\$0.3102
Nov-20	4,723,000	\$0.00	\$0.0000		Nov-20	16,094,900	\$5,707.73	\$0.3546
Dec-20	6,184,000	\$1,682.00	\$0.2720		Dec-20	14,504,350	\$4,415.41	\$0.3044
Jan-21	5,026,000	\$1,187.40	\$0.2363		Jan-21	12,833,310	\$3,922.18	\$0.3056
Feb-21	6,457,000	\$1,864.12	\$0.2887		Feb-21	15,178,920	\$4,395.42	\$0.2896
Mar-21	6,047,000	\$1,496.08	\$0.2474		Mar-21	14,009,290	\$4,468.66	\$0.3190
Apr-21	9,121,000	\$2,900.37	\$0.3180		Apr-21	14,402,820	\$4,616.62	\$0.3205
May-21	0	\$0.00	#DIV/0!		May-21	0	\$0.00	#DIV/0!
Jun-21	0	\$0.00	#DIV/0!		Jun-21	0	\$0.00	#DIV/0!
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	49,246,000	\$11,698.94	\$0.2376		TOTAL	103,296,100	\$32,572.96	\$0.3153

Bishop	Actual	Net Rev	Per 1000g		RWSC	Actual	Net Rev	Per 1000g
Oct-20	10,079,000	\$3,358.01	\$0.3332		Oct-20	9,046,000	\$2,586.82	\$0.2860
Nov-20	8,117,000	\$2,444.13	\$0.3011		Nov-20	9,351,000	\$2,743.53	\$0.2934
Dec-20	6,128,000	\$1,618.44	\$0.2641		Dec-20	8,234,000	\$2,157.61	\$0.2620
Jan-21	4,137,000	\$914.27	\$0.2210		Jan-21	7,936,000	\$1,959.50	\$0.2469
Feb-21	7,640,000	\$1,861.08	\$0.2436		Feb-21	9,062,000	\$2,491.62	\$0.2750
Mar-21	4,707,000	\$1,463.81	\$0.3110		Mar-21	10,178,000	\$2,973.23	\$0.2921
Apr-21	6,772,000	\$1,767.37	\$0.2610		Apr-21	9,209,000	\$2,506.14	\$0.2721
May-21	0	\$0.00	#DIV/0!		May-21	0	\$0.00	#DIV/0!
Jun-21	0	\$0.00	#DIV/0!		Jun-21	0	\$0.00	#DIV/0!
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	47,580,000	\$13,427.11	\$0.2822		TOTAL	63,016,000	\$17,418.45	\$0.2764

Driscoll	Actual	Net Rev	Per 1000g		Banquete	Actual	Net Rev	Per 1000g
Oct-20	3,711,000	\$1,036.83	\$0.2794		Oct-20	1,634,680	\$231.06	\$0.1413
Nov-20	3,275,000	\$937.05	\$0.2861		Nov-20	1,985,700	\$545.72	\$0.2748
Dec-20	2,920,000	\$836.83	\$0.2866		Dec-20	1,784,340	\$357.18	\$0.2002
Jan-21	3,113,000	\$815.72	\$0.2620		Jan-21	1,991,150	\$432.04	\$0.2170
Feb-21	3,846,000	\$1,107.32	\$0.2879		Feb-21	1,402,100	\$213.49	\$0.1523
Mar-21	3,078,000	\$899.22	\$0.2921		Mar-21	1,632,890	\$219.09	\$0.1342
Apr-21	2,973,000	\$940.25	\$0.3163		Apr-21	1,896,060	\$310.54	\$0.1638
May-21	0	\$0.00	#DIV/0!		May-21	0	\$0.00	#DIV/0!
Jun-21	0	\$0.00	#DIV/0!		Jun-21	0	\$0.00	#DIV/0!
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	22,916,000	\$6,573.22	\$0.2868		TOTAL	12,326,920	\$2,309.12	\$0.1873

Agua Dulce	Actual	Net Rev	Per 1000g		All Customers	Actual	Net Rev	Per 1000g
Oct-20	2,089,590	\$535.86	\$0.2564		Oct-20	54,520,780	\$15,364.49	\$0.2818
Nov-20	2,041,600	\$619.39	\$0.3034		Nov-20	45,588,200	\$12,997.55	\$0.2851
Dec-20	1,695,110	\$389.99	\$0.2301		Dec-20	41,449,800	\$11,457.46	\$0.2764
Jan-21	1,642,950	\$341.34	\$0.2078		Jan-21	36,679,410	\$9,572.45	\$0.2610
Feb-21	1,619,290	\$183.71	\$0.1135		Feb-21	45,205,310	\$12,116.76	\$0.2680
Mar-21	2,261,860	\$488.64	\$0.2160		Mar-21	41,914,040	\$12,008.73	\$0.2865
Apr-21	2,355,550	\$462.86	\$0.1965		Apr-21	46,729,430	\$13,504.15	\$0.2890
May-21	0	\$0.00	#DIV/0!		May-21	0	\$0.00	#DIV/0!
Jun-21	0	\$0.00	#DIV/0!		Jun-21	0	\$0.00	#DIV/0!
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	13,705,950	\$3,021.79	\$0.2205		TOTAL	312,086,970	\$87,021.59	\$0.2788

Memorandum

To: South Texas Water Authority Board of Directors and Carola G. Serrato, Executive Director
From: Dony Cantu, O&M Supervisor
Date: May 21, 2021
Re: O&M Activities

During the Week of April 26th - April 30th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Meeting with Ferguson rep. at office.
- Flushed WSC's dead end lines..
- Worked on Banquete PS MOV GST.
- Performed CSI for WSC's.
- Repaired leak on (RWSC) FM 772 & CR 1010 flush valve.
- Paper work on flushing.
- Met with Dave Counts and other IT reps. on the a conference call for SCADA alarms.

During the Week of May 3rd-May 7th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Repaired faucet at PS #3 RWSC sample site.
- Changed out combination on lock at water hauler PS #1.
- Field verify for corps.
- Checked PSI at FM 666 S Glenco for new potential extension.
- SCADA for Bishop East communication failure replaced radio.
- RPM remote reads (NWSC).
- Inventory for NWSC, RWSC.
- RDM Reading corrected program failure to operate.
- NWSC Re-reads.
- Mow grass for WSC's.
- Dony Cantu took online hours for license renewal.
- Fixed Sablatura Park building to close electric line openings in side wall-pest control.
- RWSC retail meters read.

During the Week of May 10th-May 14th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.

O&M Supervisor Report

05/21/21

Page 2 of 2

- Field verify for RWSC and NWSC.
- Finished RWSC retail meter routes.
- Re-reads for RWSC.
- Checked on new Banquete NWSC PS.
- Began preparing Bishop East hydro tank for repairs NWSC expense.
- RWSC PS #2 MOV problems. Ordered replacement-RWSC expense.
- Flushed WSC's dead end lines.

During the Week of May17th-May 21st:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Victor Gutierrez-took required elective class- Valves & Hydrants class in Portland for TCEQ license.
- Fixed leak on Tomahawk & FM 1833 (flush valve).
- Flushed WSC's dead end lines.
- Repaired flush valve for WSC's.
- Service orders to check for multiple tap/cross connection.
- Paperwork on flushing records.
- Stored inventory at WSC's warehouse.
- Repaired leak on roof at office.
- Cleaned up warehouse & shop area after May19th rain storm.

ATTACHMENT 3

Tax Resolutions

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 17, 2021
Re: Resolutions 21- 07 through 21-10

Background:

As in the past, the May meeting is when the South Texas Water Authority Board considers the new tax year's resolutions. Resolution 21 - 07 appoints the Executive Director as the Authority's Tax Assessor in order to calculate the effective tax rate and publishing the necessary notices. However, with my retirement, it would be prudent to include Jo Ella Wagner, Finance Manager, and Frances DeLeon, Business/Risk Manager, as appointees as well. Both employees have the required certifications through the Texas Department of Licensing and Regulation.

Resolutions 21-08 and 21-09 appoint the Nueces and Kleberg Counties' Tax Assessor/Collectors as the Authority's tax collectors. Resolution 21-10 provides tax exemptions previously provided by the Board or required by legislation.

Analysis:

These actions are a necessary part of a taxing entity's function.

Staff Recommendation:

Adopt Resolutions 21- 07 through 21-10.

Board Action:

Determine whether to adopt Resolutions 21- 07 through 21-10.

Summarization:

Adoption of these resolutions formally begins the tax calendar events in accordance with State law.

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 21-07

A RESOLUTION APPOINTING CAROLA G. SERRATO, EXECUTIVE DIRECTOR, TO SERVE AS CHIEF TAX ASSESSOR FOR THE SOUTH TEXAS WATER AUTHORITY AND NAMING ALTERNATE APPOINTEES IN HER ABSCENSE.

WHEREAS, the South Texas Water Authority is a taxing jurisdiction within Nueces and Kleberg Counties, and

WHEREAS, a tax assessor is required to meet the statutory requirements of the State of Texas, and

WHEREAS, Carola G. Serrato, Jo Ella Wagner and Frances De Leon are qualified and duly registered as tax assessors with the State of Texas to perform this function for the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Texas Water Authority appoints Carola G. Serrato, Executive Director, as Chief Tax Assessor for the Authority and in her absence Jo Ella Wagner is named as first alternate and Frances De Leon is named as second alternate Chief Tax Assessor for the Authority.

Duly adopted this 25th day of May, 2021.

BRANDON W. BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 21-07

A RESOLUTION APPOINTING CAROLA G. SERRATO, EXECUTIVE DIRECTOR, TO SERVE AS CHIEF TAX ASSESSOR FOR THE SOUTH TEXAS WATER AUTHORITY.

WHEREAS, the South Texas Water Authority is a taxing jurisdiction within Nueces and Kleberg Counties, and

WHEREAS, a tax assessor is required to meet the statutory requirements of the State of Texas, and

WHEREAS, Carola G. Serrato is qualified and duly registered as a tax assessor with the State of Texas to perform this function for the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Texas Water Authority appoints Carola G. Serrato, Executive Director, as Chief Tax Assessor for the Authority.

Duly adopted this 25th day of May, 2021.

BRANDON W. BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 21-08

RESOLUTION APPOINTING KEVIN KIESCHNICK, NUECES COUNTY TAX ASSESSOR/COLLECTOR, TO BE THE SOUTH TEXAS WATER AUTHORITY'S TAX COLLECTOR IN NUECES COUNTY.

WHEREAS, the South Texas Water Authority is a taxing entity within Nueces County,
and

WHEREAS, a tax collector is required to collect taxes levied by the South Texas Water Authority, and

WHEREAS, the Nueces County Tax Assessor/Collector's Office is qualified to perform this function for the Authority, and

WHEREAS, the Nueces County Tax Assessor/Collector's Office has performed this task for the past years and has provided satisfactory service.

NOW, THEREFORE, BE IT RESOLVED, that Kevin Kieschnick and his representatives of the Nueces County Tax Assessor/Collector's Office are appointed to be the Authority's Tax Collector in Nueces County.

Duly adopted this 25th day of May, 2021.

BRANDON W. BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 21-09

RESOLUTION APPOINTING MARIA VICTORIA VALADEZ, KLEBERG COUNTY TAX ASSESSOR/COLLECTOR, TO BE THE SOUTH TEXAS WATER AUTHORITY'S TAX COLLECTOR IN KLEBERG COUNTY.

WHEREAS, the South Texas Water Authority is a taxing entity within Kleberg County,
and

WHEREAS, a tax collector is required to collect taxes levied by the South Texas Water Authority, and

WHEREAS, the Kleberg County Tax Assessor/Collector's Office is qualified to perform this function for the Authority, and

WHEREAS, the Kleberg County Tax Assessor/Collector's Office has performed this task for the past years and has provided satisfactory service.

NOW, THEREFORE, BE IT RESOLVED, that Maria Victoria Valadez and her representatives of the Kleberg County Tax Assessor/Collector's Office are appointed to be the Authority's Tax Collector in Kleberg County.

Duly adopted this 25th day of May, 2021.

BRANDON W. BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

Resolution 20-10

A RESOLUTION ESTABLISHING TAX EXEMPTIONS FOR RESIDENCE HOMESTEADS, FOR PROPERTY OWNERS WHO ARE 65 YEARS OF AGE OR OLDER, FOR PERSONS WHO ARE DISABLED, AND FOR DISABLED VETERANS.

WHEREAS, the South Texas Water Authority (the "Authority") is a taxing jurisdiction within Kleberg and Nueces Counties, and

WHEREAS, the Board of Directors of the Authority wants to allow tax exemptions for residential homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY THAT:

1. Individuals are entitled to an exemption from taxation by the Authority of 1% of the appraised value of their residence homesteads, or \$5,000 of the appraised value of their residence homesteads, whichever is greater.
2. Individuals who are disabled or who are 65 years of age or older are entitled to an exemption from taxation by the Authority of \$12,000 of the appraised value of their residence homesteads.
3. Disabled veterans are entitled to the exemptions from taxation allowed by Section 11.22, Property Code.

Duly adopted this 25th day of May, 2021.

BRANDON W. BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 4
Preliminary CAD Values

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 17, 2021
Re: Preliminary Nueces and Kleberg County Appraisal District Values.

Background:

According to State law, appraisal districts are responsible for delivering *preliminary* values to taxing units by April 30th. **Certified** Appraisal Rolls should be delivered by July 25th or soon thereafter.

Analysis:

Below are preliminary and certified values for 2016-2020 and this year's preliminary figures.

	Tax Year 2016 Preliminary - April	Tax Year 2016 Certified	Tax Year 2017 Preliminary- April	Tax Year 2017 Certified	Tax Year 2018 Preliminary- April	Tax Year 2018 Certified
NCAD	\$655,430,525	\$654,848,395	\$670,739,079	\$681,353,234	\$756,524,728	\$804,058,640
KCAD	\$1,022,599,604	\$1,045,804,845	\$1,054,692,773	\$1,066,869,086	\$1,097,634,443	\$1,139,137,395
Total	\$1,678,030,129	\$1,700,653,240	\$1,725,431,852	\$1,748,222,320	\$1,854,159,171	\$1,943,196,035

	Tax Year 2019 Preliminary- April	Tax Year 2019 Certified	Tax Year 2020 Preliminary- April	Tax Year 2020 Final	Tax Year 2021 Preliminary- April	Difference*
NCAD	\$899,859,345	1,017,319,633	1,035,935,421	1,069,988,423	1,072,799,211	\$2,442.88
KCAD	\$1,194,830,248	1,145,684,070*	1,204,567,485	1,195,432,280	1,351,356,474	\$135,515.27
Total	\$2,094,689,593	2,163,003,703	2,240,502,906	2,265,420,703	2,424,155,685	\$137,958.15

*The difference is a calculation of the possible change in tax collections (at 100% collections) based on the preliminary values as compared to the final Tax Year 2020 values multiplied times the current Total Tax Rate (I&S plus M&O). As you can see, approximately \$138,000 in additional taxes would be a significant amount. So, it is prudent to take notice of the appraisal districts' caution that preliminary values are subject to decreases since property value protests have not yet occurred. In addition, as mentioned during each budget process, STWA's tax rate hinges on STWA's Average Home Value. The Interest and Sinking (I&S) tax rate must be sufficient to generate the required debt service payments. Therefore, if the Average Home Value **increases significantly**, the M&O tax rate may be *required* to **decrease** even if the Total Taxable Value has decreased.

Staff Recommendation:

This is being provided for your information only.

Board Action:

Provide feedback to staff.

Summarization:

For the last five (5) years the certified values have increased from the preliminary figures. However, I recall past years when values decreased from the preliminary numbers.

KLEBERG COUNTY APPRAISAL DISTRICT
P. O. BOX 1027 * 502 E. KLEBERG * KINGSVILLE, TEXAS 78364
PHONE: (361)-595-5775 * FAX : (361) 595-7984

RECEIVED

MAY 04 2021

SOUTH TEXAS WATER AUTHORITY

April 30, 2021


South Texas Water Authority
Attn: Rudy Galvan, President
P.O. Box 1701
Kingsville, Texas 78364

Dear Mr. Galvan:

In accordance with Section 26.01(e) of the Texas Property Tax Code, I am enclosing the 2021 Certified Estimate of Values for your taxing entity. The 81st Texas Legislature changed the deadline for the Chief Appraiser to prepare and certify estimates of taxable value to the assessor for each taxing unit by April 30th of each year or the next business day if the 30th falls on a weekend. This makes a significant difference in the benefit that these values present to you at this point in time for the purpose that you are intending to use them for. Please remember the majority of the exemption application deadlines are April 30, 2021, the majority of special appraisal applications deadlines are April 30, 2021, rendition extensions are through May 15, 2021, and some may be through June 1, 2021. All these issues play a part in a less accurate estimate of value. Other potential loss may occur due to allowable late filing of exemptions and due to additional information provided to the appraisal district by the taxpayer addressing specific issues with their property before the final roll is approved. I will be providing you with another set of estimated values no later than June 30, 2021, so that you will be given the ability to work with some updated information.

I hope this information is helpful. If you have any questions, please feel free to call me at 361-595-5775.

Sincerely,



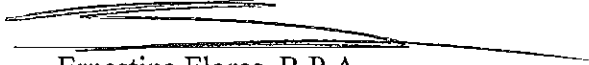
Ernestina "Tina" Flores, R.P.A.
Chief Appraiser

Cc: Carola Serrato, Executive Director
Kleberg County Appraisal District Board of Directors

CERTIFICATION OF ESTIMATES OF 2021 TAXABLE VALUE
INFORMATION
AS OF
APRIL 30, 2021

Taxing Unit: South Texas Water Authority

I, Ernestina Flores, Chief Appraiser of the Kleberg
County Appraisal District do hereby certify the attached
2021 Estimate of Taxable Value as of April 30, 2021.


Ernestina Flores, R.P.A.
Chief Appraiser

4.30.21

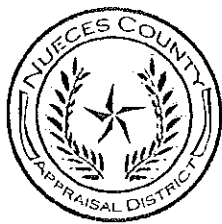
Date:

2021 PRELIMINARY VALUE INFORMATION

AS OF 4-30-21

TAXING UNIT
SOUTH TEXAS WATER AUTHORITY

GROSS VALUES	2021 PRELIMINARY VALUES	2020 FINAL VALUES	DIFFERENCE
REAL:	1,605,463,038	1,345,240,291	260,222,747
PERSONAL:	102,888,670	96,408,290	6,480,380
MINERAL:	163,423,015	178,633,744	(15,210,729)
TOTAL GROSS VALUE:	1,871,774,723	1,620,282,325	251,492,398
TOTAL EXEMPTIONS:	325,671,501	226,100,386	99,571,115
HOMESTEAD CAP ADJ:	18,019,169	18,188,571	(169,402)
LOSS TO AGRICULTURAL: VALUATION	176,727,579	180,561,088	(3,833,509)
NET TAXABLE VALUE:	1,351,356,474	1,195,432,280 (INC)	155,924,194



*Nueces County Appraisal District
201 N. Chaparral, Ste. 206
Corpus Christi, Texas 78401-2503*

*Ramiro "Ronnie" Canales
Nueces County Chief Appraiser*

*Office: (361) 881-9978
Fax: (361) 887-6721
info@nuecescad.net*

April 30, 2021

RE: 2021 Preliminary Estimate of Net Total Taxable Value – ALL ENTITIES (Attached)

Texas Property Tax Code, Section 26.01(e) requires the Chief Appraiser to prepare and certify to the tax assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit by April 30th of each year.

We are also providing this information to all participating entities. Since we believe the Appraisal Review Board process, which begins in May, may likely change these estimates before final certification of the tax roll in July, District staff have factored into the estimate a provision for these changes. Since this is an estimate, we suggest caution when using it for budget purposes.

If you need more detail, please contact Don Causey, Assistant Chief Appraiser, at 361.696.7608 or by email at dcausey@nuecescad.net.

Certified and Submitted,

A handwritten signature in black ink, appearing to read "Ronnie", is written over a horizontal line.

Ramiro "Ronnie" Canales, RPA, CTA
Chief Appraiser

Nueces County Appraisal District
 2021 Preliminary Values to Entities
 As of 4-28-2021

Name of Entity	Preliminary 2021
AGUA DULCE ISD	\$ 109,298,527
ARANSAS PASS ISD	\$ 9,832,028
BANQUETE ISD	\$ 640,417,480
BANQUETE WATER DISRICT #5	\$ 11,526,808
BISHOP DRAINAGE DISTRICT #3	\$ 117,724,208
BISHOP ISD	\$ 878,191,960
BOHEMIAN COLONY TIRZ	\$ 2,329,135
CALALLEN ISD M&O	\$ 1,851,968,316
CALALLEN ISD I&S	\$ 2,521,539,989
CITY OF AQUA DULCE	\$ 17,160,517
CITY OF ARANSAS PASS	\$ 12,212,554
CITY OF BISHOP	\$ 126,829,135
CITY OF CORPUS CHRISTI	\$ 23,407,296,328
CITY OF DRISCOLL	\$ 23,697,019
CITY OF PORT ARANSAS	\$ 2,692,092,066
CITY OF ROBSTOWN	\$ 420,929,117
CORPUS CHRISTI ISD	\$ 18,524,392,904
DEL MAR COLLEGE	\$ 31,025,016,207
DOWNTOWN MANAGEMENT DISTRICT-IMPROVEMENTS	\$ 153,355,436
DOWNTOWN MANAGEMENT-LAND	\$ 40,247,681
DOWNTOWN TIF #3	\$ 496,342,236
DRISCOLL ISD	\$ 87,962,815
EMERGENCY SERVICE DISTRICT #1	\$ 4,719,632,016
EMERGENCY SERVICE DISTRICT #2	\$ 3,871,416,596
EMERGENCY SERVICE DISTRICT #3	\$ 861,468,264
EMERGENCY SERVICE DISTRICT #4	\$ 659,906,721
EMERGENCY SERVICE DISTRICT #5	\$ 90,049,961
EMERGENCY SERVICE DISTRICT #6	\$ 917,400,963
FLOUR BLUFF ISD	\$ 3,634,373,741
HOSPITAL DISTRICT	\$ 34,586,638,197
KENEDY COUNTY GROUNDWATER DISTRICT	\$ 3,146,016
LONDON ISD	\$ 681,493,920
NORTH BEACH TIRZ	\$ 130,699,932
NUECES COUNTY	\$ 34,279,312,968
NUECES COUNTY WATER DISTRICT #4	\$ 3,082,976,763
PADRE ISLAND TIF	\$ 567,535,560
PORT ARANSAS ISD	\$ 3,082,935,007
ROBSTOWN DRAINAGE DIST #2	\$ 677,003,493
ROBSTOWN ISD	\$ 680,721,856
ROBSTOWN TIF #5	\$ 13,870,702
RURAL FARM TO MARKET	\$ 34,476,817,795
SOUTH TEXAS WATER AUTHORITY	\$ 1,072,799,211
TULOSO-MIDWAY ISD M&O	\$ 3,293,154,403
TULOSO-MIDWAY ISD I&S	\$ 3,797,771,186
WEST OSO ISD	\$ 864,900,231

ATTACHMENT 5

Tax Resale Properties

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 18, 2021
Re: Tax Sale—Struck Off Properties, Nueces County – Resolution 21 - 11

Background:

Enclosed is a letter from Mr. Marvin Leary with Linebarger, Goggan, Blair, and Sampson, LLP, notifying STWA about three (3) tax sale properties. All of the properties are located in Bishop. Sale of the properties would result in approximately \$340 in collected taxes and \$60,000 in value being added back to STWA's rolls. The last time the Board approved a Tax Sale was in February 2020 with the adoption of Resolution 20-08.

Analysis:

As outlined in Mr. Leary's letter, STWA will be paid \$338.10 in taxes and a value based on the current assessment of \$60,068 will be placed on the rolls. At STWA's current tax rate, this would generate about \$52 in I&S and M&O taxes combined.

Staff Recommendation:

Approve Resolution 21-11 for the sale of the three (3) properties for an amount less than the taxes owed.

Board Action:

Determine whether to adopt Resolution 21-11.

Summarization:

The long-term benefit of returning properties to the rolls with new owners that are good stewards must be kept in mind when approving these types of sales.

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP

ATTORNEYS AT LAW

500 N. Shoreline Blvd.

Suite 1111 (78401-0357)

P. O. Box 2991

Corpus Christi, TX 78403-2991

(361) 888-6898

(361) 888-4405 - FAX

May 11, 2021

Mrs. Carola Serrato
Executive Director
South Texas Water Authority
Post Office Box 1701
Kingsville, Texas 78364-1701

Re: Consideration of offers made for Tax Resale properties

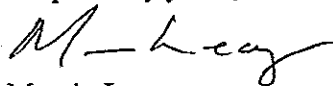
Dear Carola,

As you are aware, our firm represents the South Texas Water Authority in the collection of delinquent property taxes. As part of our overall effort to collect delinquent taxes for all our clients in Nueces County, we regularly post properties for tax sale on a monthly basis. At the sale, if nobody willing to offer the minimum opening bid amount, the property is "Struck Off" to the Nueces County taxing entities for the amount due against it. A Sheriff's Tax Deed is filed in the name of Nueces County, as Trustee for all of the taxing entities owed taxes on the property. We then continue to try to sell these struck off properties, and when we receive a purchase offer, we bring it forward to the taxing entities for their consideration and action, in accordance with the Texas Property Tax Code.

Enclosed please find bid analyses and maps on three tax resale properties for which we have received purchase offers. We respectfully request that you place these offers on your Board of Directors agenda for consideration and action at their next meeting. If the Board approves the offers as submitted, STWA will receive at least \$338.10 in delinquent taxes from the sale proceeds, and restore as much as \$60,068.00 in taxable property value to your active tax rolls.

Your courtesy and cooperation in expediting this request are greatly appreciated. Should you have questions regarding any of the above, please contact me at your convenience.

Respectfully yours,



Marvin Leary
Area Manager

Enclosures: Bid analyses, maps and photos for 3 tax resale properties

ANALYSIS OF OFFER RECEIVED FOR TAX RESALE PROPERTY

Suit Number & Style: 2015DCV-2784-B; Nueces County vs Luis Guajardo
Tax ID# & Legal: 0696-0029-0070; Lot 7, Block 29, Original Townsite of Bishop

Property Location: 213 W Third St - Bishop

Date of Sale: February 7, 2017
Amount Due All Entities: 13,339.94
Amount of Offer: 10,000.00
Cost of Sale: 1,837.50
Current Value: 12,204.00
% of Total Due: 74.96%
% of Current Value: 81.94%

Entity Name	Amount Due Each Entity	Amount You Will Receive
Nueces County	\$1,634.95	\$1,000.40
City of Bishop	\$2,375.67	\$1,453.64
Bishop Consolidated Independent School District	\$4,185.74	\$2,561.19
South Texas Water Authority	\$194.83	\$119.21
City Paving & Demo Liens	\$4,948.75	\$3,028.06

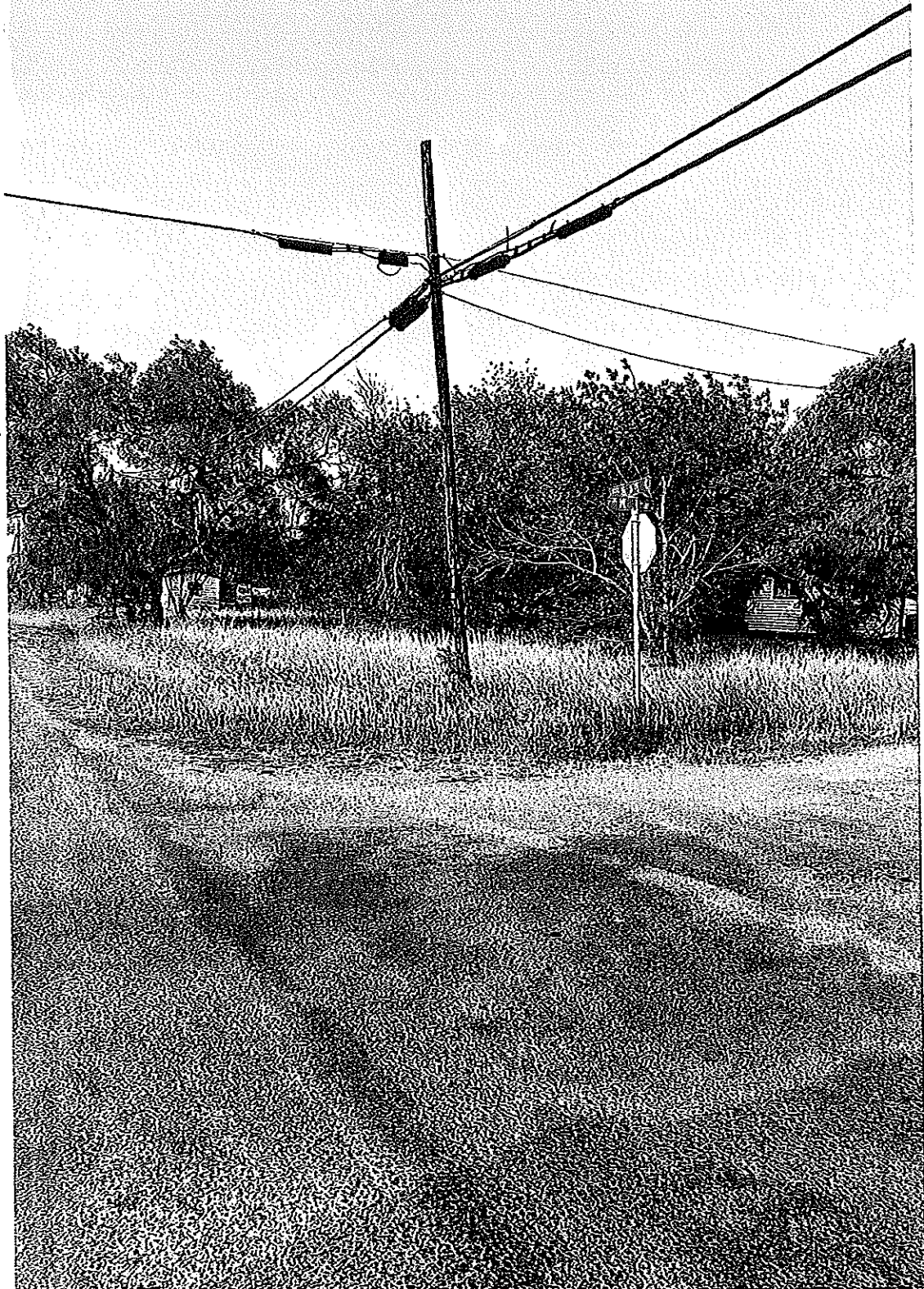
A VACANT LOT, 60 FT X 180 FT, LOCATED AT THE NE CORNER OF W THIRD ST AND AVENUE C IN BISHOP.

THE PROSPECTIVE BUYER IS THE NEXT DOOR NEIGHBOR TO THIS LOT.

THE PROSPECTIVE BUYER IS EDMUND C. ALVAREZ OF BISHOP.

213 W THIRD ST - BISHOP

#2194



ANALYSIS OF OFFER RECEIVED FOR TAX RESALE PROPERTY

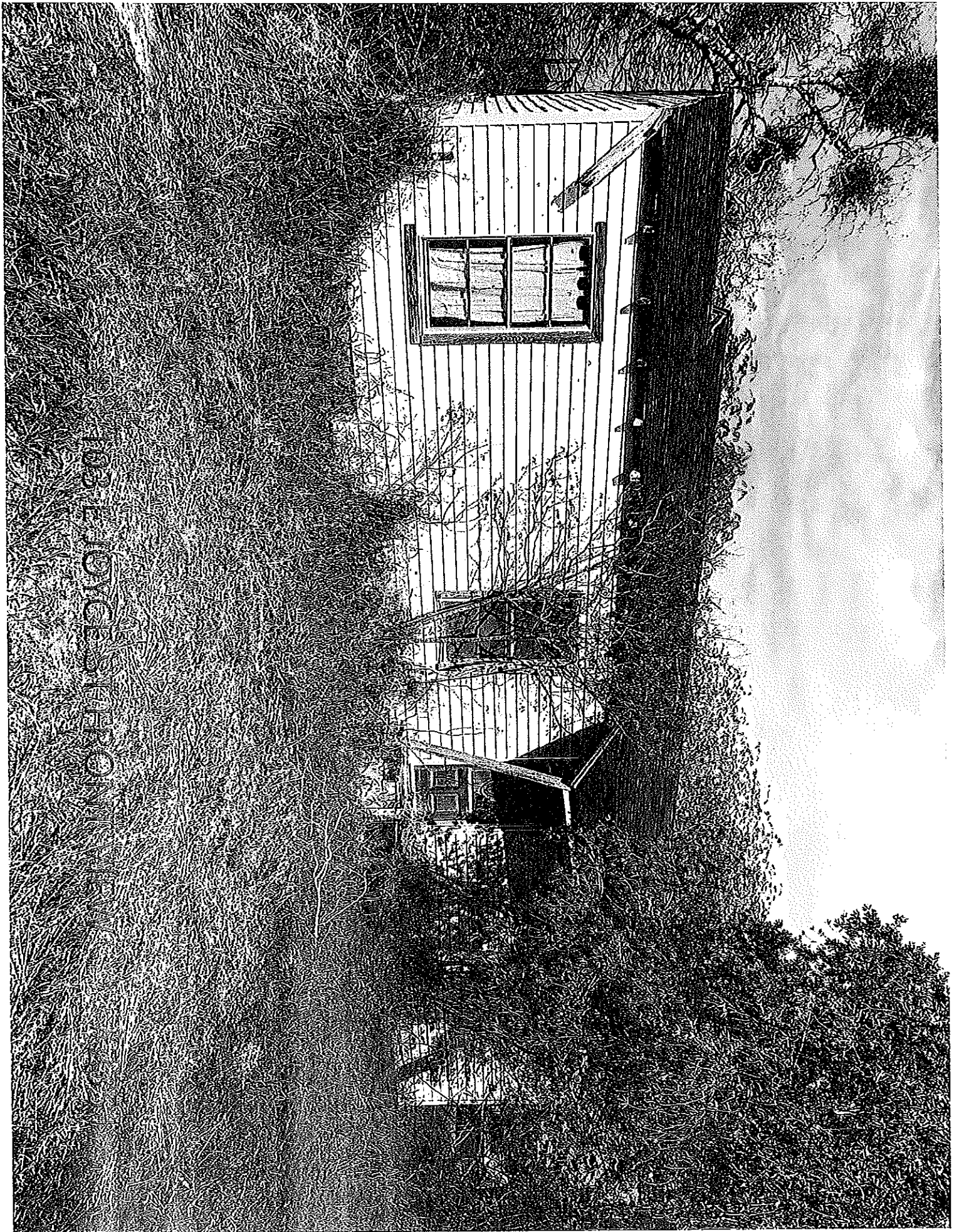
Suit Number & Style: 2012DCV-3659-G; Nueces County vs Benito E Reyes
Tax ID# & Legal: 1598-0003-0050; The West 15 feet of Lot 5 and the East 45 feet of Lot 6, Block 3, City Park Addition to Bishop
Property Location: 103 E. Joyce St. - Bishop

Date of Sale: August 4, 2020
Amount Due All Entities: 50,261.39
Amount of Offer: 10,000.00
Cost of Sale: 3,242.25
Current Value: 32,632.00
% of Total Due: 19.90%
% of Current Value: 30.64%

Entity Name	Amount Due Each Entity	Amount You Will Receive
Nueces County	\$9,160.36	\$1,231.63
City of Bishop	\$14,971.71	\$2,012.98
Bishop Consolidated Independent School District	\$21,906.79	\$2,945.41
South Texas Water Authority	\$1,338.80	\$180.00
City Paving & Demo Liens	\$2,883.73	\$387.72

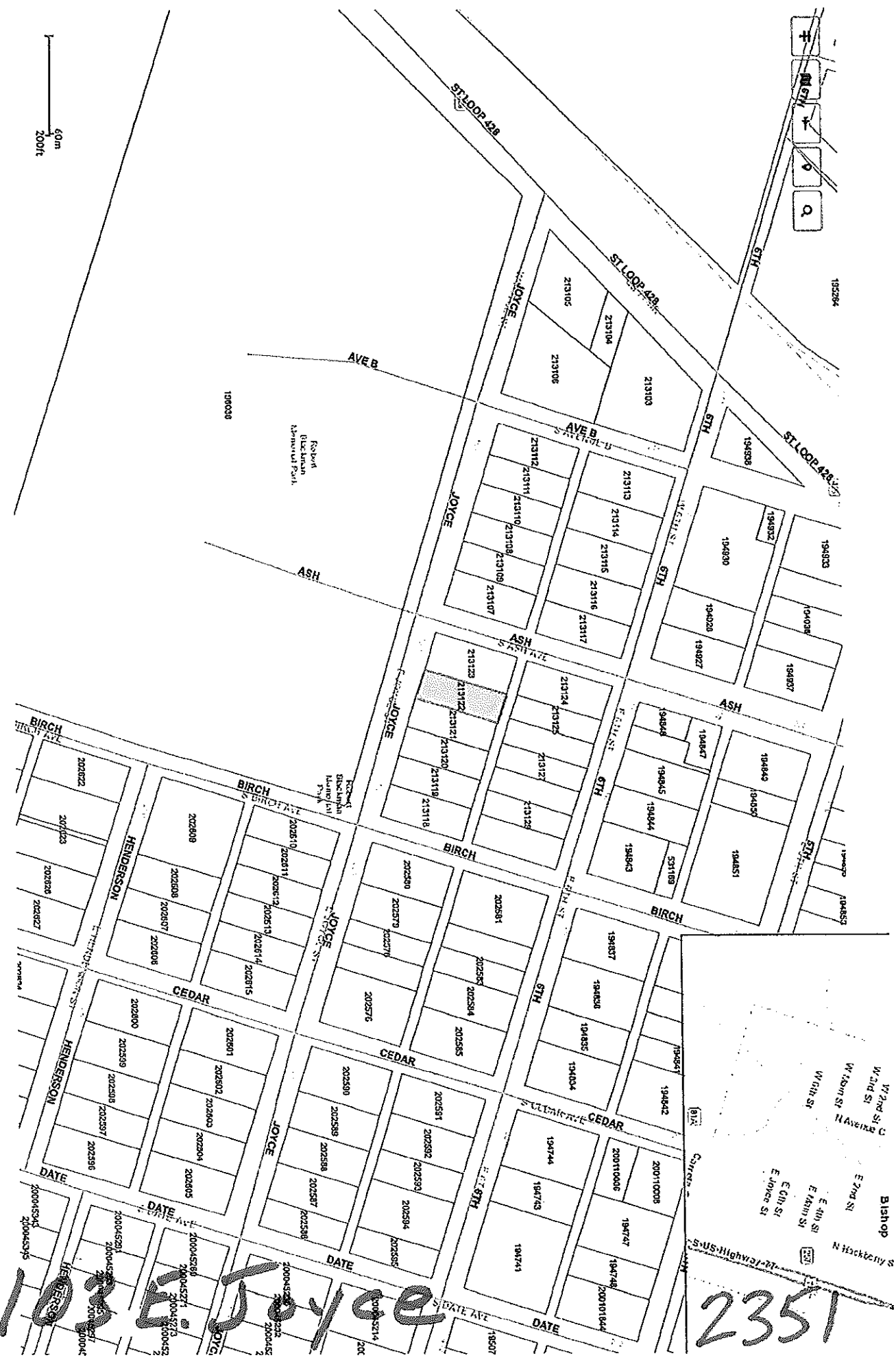
A WOOD FRAME HOUSE IN POOR CONDITION, ON A 60 FT X 165 FT LOT, LOCATED ACROSS FROM THE BISHOP CITY PARK COMPLEX. THE HOUSE WILL NEED A COMPLETE RENOVATION THROUGHOUT TO MAKE IT HABITABLE.

THE PROSPECTIVE BUYER IS ALAN QUERIDO OF CORPUS CHRISTI.



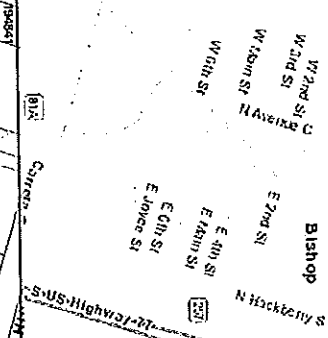


60m
200ft



JOYCE

2351



ANALYSIS OF OFFER RECEIVED FOR TAX RESALE PROPERTY

Suit Number & Style: 2012DCV-3713-G; Nueces County vs Amanda Gonzales
Tax ID# & Legal: 0113-0000-0220; Lot 22, Alamo Subdivision in Bishop

Property Location: 708 Alamo Ave. - Bishop

Date of Sale: September 1, 2020
Amount Due All Entities: 29,787.52
Amount of Offer: 4,000.00
Cost of Sale: 2,433.50
Current Value: 15,232.00
% of Total Due: 13.43%
% of Current Value: 26.26%

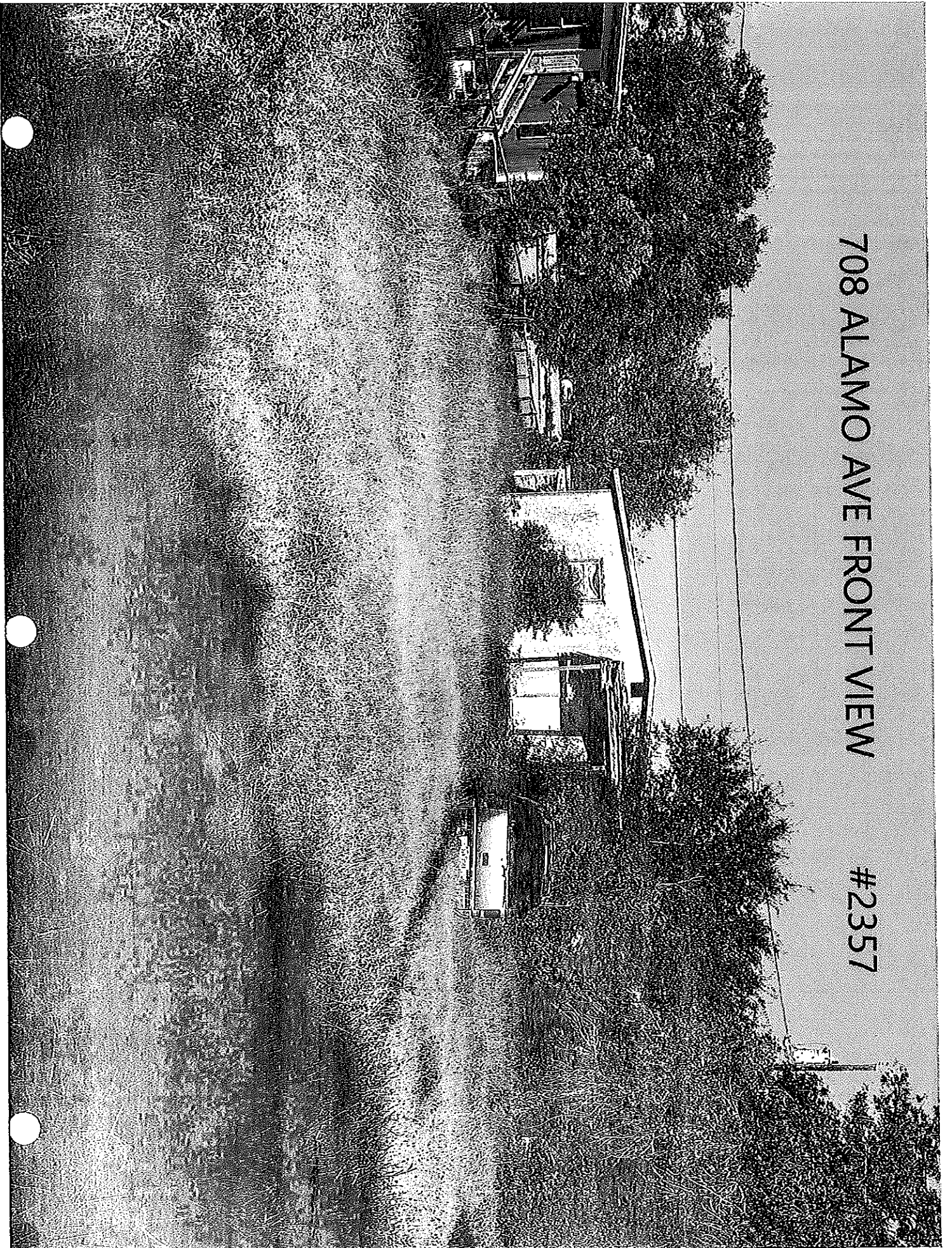
Entity Name	Amount Due Each Entity	Amount You Will Receive
Nueces County	\$5,859.42	\$308.14
City of Bishop	\$8,374.36	\$440.40
Bishop Consolidated Independent School District	\$14,593.23	\$767.45
South Texas Water Authority	\$739.51	\$38.89
City Paving & Demo Liens	\$221.00	\$11.62

A RAMSHACKLE HOUSE ON A 60 FT X 160 FT LOT IN A SUBDIVISION PRIMARILY OF MOBILE HOMES. THE HOUSE IS IN VERY POOR CONDITION. THE PROSPECTIVE BUYER PROPOSES TO DEMOLISH THE EXISTING STRUCTURE AND BUILD A NEW HOME ON THE PROPERTY.

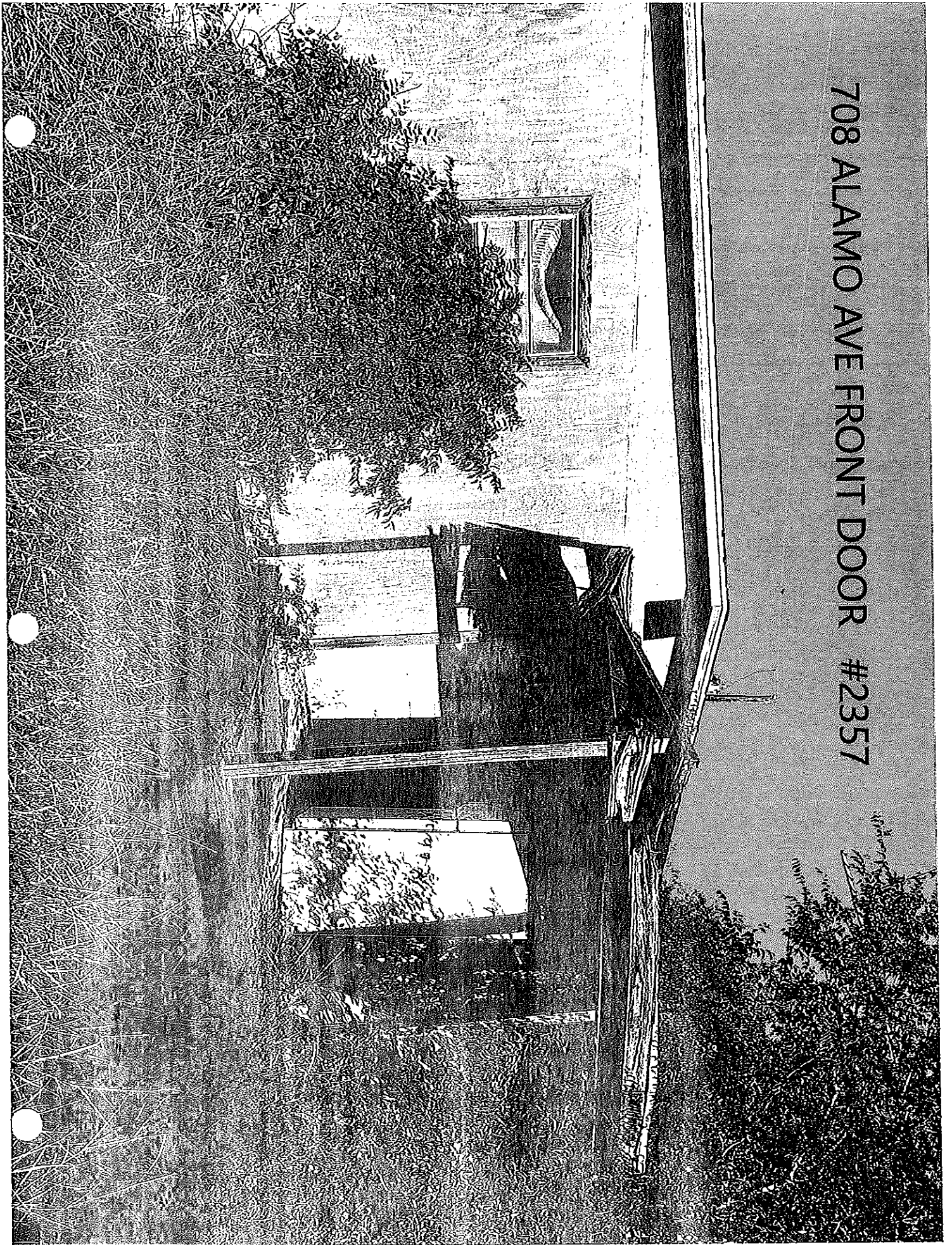
THE PROSPECTIVE BUYER IS ANDY HOLDEN OF WEST POINT, TEXAS.

708 ALAMO AVE FRONT VIEW

#2357

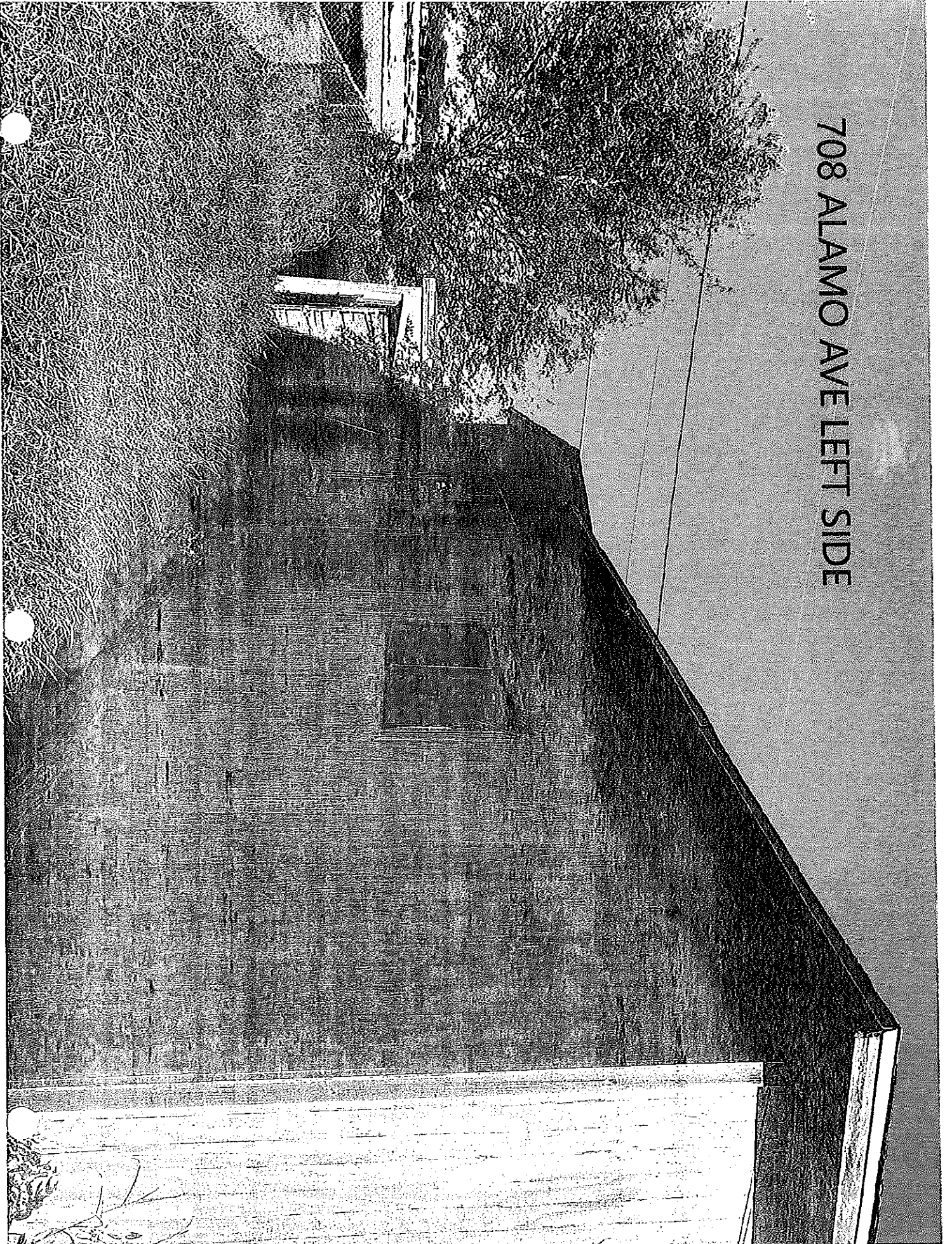


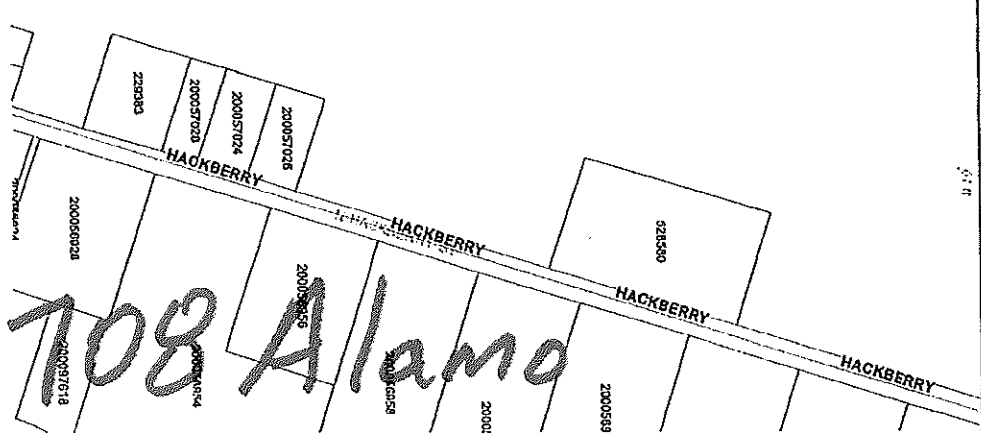
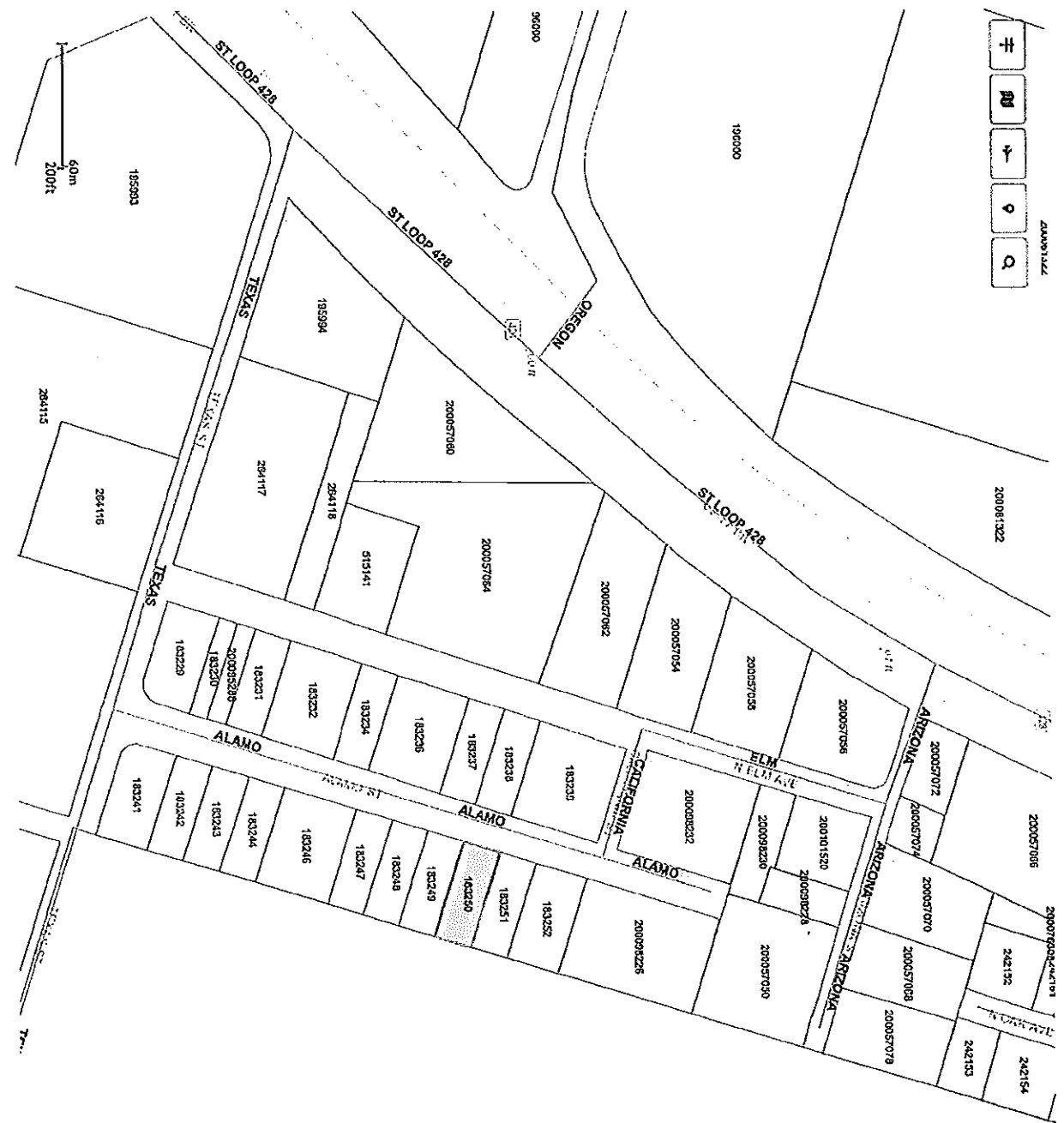
708 ALAMO AVE FRONT DOOR #2357





708 ALAMO AVE LEFT SIDE





708 Alamo

2357

ATTACHMENT 6

Resolution 21-11

SOUTH TEXAS WATER AUTHORITY

Resolution 21-11

RESOLUTION APPROVING THE SALE OF DELINQUENT TAX PROPERTIES FOR LESS THAN THE AMOUNT OF TAXES OWED.

WHEREAS, on March 11, 1991 the Authority passed Resolution 91-04 approving the sale of delinquent tax properties for less than the amount of taxes owed or the most recent value placed on the property by the appraisal district, whichever is less.

WHEREAS, the Authority's tax attorneys have previously recommended that on a regular basis, perhaps quarterly, the properties could be offered by all taxing entities for resale at 50% of the amount owed or the adjudged value, whichever is less, and

WHEREAS, a bid has been received for the following properties in the Authority's District in Nueces County, Texas for an amount less than the taxes owed:

Suit Number & Style: 2015DCV-2784-B; Nueces County vs. Luis Guajardo
Tax ID # & Legal: 0696-0029-0070; Lot 7, Block 29, Original Townsite of Bishop
Property Location: 213 W Third St – Bishop
Amount due all entities: \$13,339.94; Current Value: \$12,204.00; Amount of Bid: \$10,000.00

Suit Number & Style: 2012DCV-3659-G; Nueces County vs. Benito E Reyes
Tax ID # & Legal: 1598-0003-0050; The West 15 feet of Lot 5 and the East 45 feet of Lot 6, Block 3, City Park Addition to Bishop
Property Location: 103 E. Joyce St. – Bishop
Amount due all entities: \$50,261.39; Current Value: \$32,632.00; Amount of Bid: \$10,000.00

Suit Number & Style: 2012DCV-3713-G; Nueces County vs. Amanda Gonzales
Tax ID # & Legal: 0113-0000-0220; Lot 22, Alamo Subdivision in Bishop
Property Location: 708 Alamo Ave. – Bishop
Amount due all entities: \$29,787.52; Current Value: \$15,232.00; Amount of Bid: \$4,000.00

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority approves the sale of the above listed properties.

Duly adopted this 25th day of May, 2021.

BRANDON W. BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 7

Banquete Pump Station

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: Update on Banquete Pump Station (PS) Project to Serve the Nueces Water Supply Corporation (NWSC) and Nueces County Water Control and Improvement District #5

Background:

Enclosed are the most recent emails pertaining to the Banquete Pump Station. As reported last month, STWA has been invoiced by Nueces County for the entire amount of its committed funds on this project. The Nueces Water Supply Corporation continues to pay on its committed amount as it is invoiced. Unfortunately, another walk-through to finalize the project has not been scheduled due to items remaining on the punch list.

Analysis:

As you can see from the most recent email to Nueces County Grant Administrator Maria Bedia, the project engineer with Ardurra (previously LNV) is recommending a Change Order that will require JS Haren to be complete by the end of May. Any days after May 31 would be charged liquidated damages. It is my understanding that the most problematic of the punch list items is the plugging of the groundwater well at Cyndie Park II.

Staff Recommendation:

Keep the Board updated on this project.

Board Action:

Provide feedback to staff.

Summarization:

As mentioned previously once the project is finalized, Nueces County will be able to transfer title to the new facilities to Nueces Water Supply Corporation. The improvements at the original Banquete Pump Station may be transferred to STWA or, if Nueces County Water Control and Improvement District #5 (NCWCID#5) should decide to enter into a contract with STWA, directly to NCWCID#5.



From: Joe Trejo <jtrejo@ardurra.com>
Sent: Monday, May 17, 2021 5:25 PM
To: Maria M. Bedia; mcserrato@stwa.org
Cc: Hector Castaneda; John Miller; Robert Viera; Natalie Eckstrom; 'Dony Cantu'; Joe Martinez
Subject: RE: Change Order for Time - Banquete Booster Pump Station, Cyndie Park II, TWDB # 62622 - for Project Completion Cut off Date -

Maria – any update on setting a final change order with cut off date for the JS Haren job ?

Without a set timeline and date for which to start liquidated damages – no telling how long this job will continue –

Thanks Maria – let us know -



Joe Trejo, PE RPLS
Senior Project Engineer
jtrejo@ardurra.com
O: 361-883-1984
801 Navigation BLVD, STE 300
Corpus Christi TX, 78408
www.ardurra.com
  

From: Joe Trejo
Sent: Thursday, May 6, 2021 11:13 AM
To: Maria M. Bedia <maria.bedia@nuecesco.com>
Cc: Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>; Robert Viera <rviera@ardurra.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>; Joe Trejo <jtrejo@ardurra.com>
Subject: RE: Change Order for Time - Banquete Booster Pump Station, Cyndie Park II, TWDB # 62622

Maria – I would recommend a change order from March 18 (last change order extension completion date) to May 30 which should provide enough time to complete everything –

That’s an additional 73 calendar days if I counted correctly –

We could go to May 15 and shorten the extension to 57 calendar days -

After that if Haren is not complete recommend start charging liquidated damages on either May 16 or June 1 depending on the extension date picked –

Please advise



Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: Maria M. Bedia <maria.bedia@nuecesco.com>

Sent: Thursday, May 6, 2021 10:49 AM

To: Joe Trejo <jtrepo@ardurra.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>

Cc: Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamilfer@ardurra.com>; Robert Viera <rviera@ardurra.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>

Subject: RE: Change Order for Time - Banquete Booster Pump Station, Cyndie Park II, TWDB # 62622

Good morning, Joe. My apologies for the delay in my response. We had received the attached email from Behni, stating that we did not have to do the change order after all if the work was going to be completed soon. Is there a timeline of the plugging of the well?

Thank you,
Maria

From: Joe Trejo <jtrepo@ardurra.com>

Sent: Thursday, May 6, 2021 9:45 AM

To: Maria M. Bedia <maria.bedia@nuecesco.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>

Cc: Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamilfer@ardurra.com>; Joe Trejo <jtrepo@ardurra.com>; Robert Viera <rviera@ardurra.com>

Subject: RE: Change Order for Time - Banquete Booster Pump Station, Cyndie Park II, TWDB # 62622

External Message - Please be cautious when opening links or attachments.

Maria – any update on JS Haren change order –

Thanks – just left a voice message on your cell -



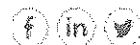
Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: Robert Viera <rviera@ardurra.com>

Sent: Wednesday, April 28, 2021 11:22 AM

To: maria.bedia@nuecesco.com; natalie.eckstrom1@nuecesco.com

Cc: Joe Trejo <jtrepo@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>

Subject: Change Order for Time - Banquete Booster Pump Station, Cyndie Park II, TWDB # 62622

Maria,

Behni Bohassani with TWDB called me to discuss the need for a change order to increase the contract days. TWDB does not accept substantial completion milestones and only accepts the project after fully complete.

Please call my cell phone at your earliest convenience.

Respectfully,



Robert M. Viera, PE, RPLS
Managing Principal

rviera@ardurra.com

O: 361.883.1984

M: 361.960.1182

801 Navigation Blvd., Ste. 300, Corpus Christi, TX 78408

www.ardurra.com



ATTACHMENT 8

Executive Director Recruitment

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: Proposal for Recruitment Services – Ray Associates, Inc. (RAI) – Executive Director Retirement

Background:

Since the last meeting, advertisement of the executive director position has ceased. As of today's date, Ms. Katherine Ray, RAI, has received twelve (12) applications and determined six (6) did not meet the minimum qualifications. She has begun screening the remaining six (6) candidates for the short list.

Analysis:

A video questionnaire will be requested from the six (6) candidates. The short-list applicants' videos will be made available to the Board, the NWSC representative (Donald Lundmark) and RWSC representative (Baldemar Garcia). The applicants will also be asked to fill out a General Questionnaire and Due Diligence Questionnaire. At this time, staff is not certain whether an invoice will be received from RAI for their third installment payment.

Staff Recommendation:

If received prior to the Board meeting, approve payment of RAI's third installment payment and any eligible reimbursement expenses. Continue to keep an open line of communications with RAI. Update the Board as necessary.

Board Action:

Provide feedback to RAI and staff. Determine whether any action is necessary regarding the agreed upon recruitment process. Determine whether to approve payment of any RAI invoice received prior to the Board meeting.

Summarization:

The development of a short list is a major step in the process. Valuable information will be available as a result of the videos and questionnaires.

ATTACHMENT 9

Water Supply Contract – City of Corpus Christi

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: City of Corpus Christi Wholesale Water Supply Contract (Contract)

Background:

Last month, the Board reviewed email correspondence between STWA's legal counsel, Bill Flickinger, and Assistant City Attorney Lisa Aguilar. Ms. Aguilar questioned the deletion of the section pertaining to construction of STWA facilities. Mr. Flickinger responded that the section was part of the original contract prior to the construction of STWA's Regional System. Following Mr. Flickinger's response, there has not been any communication from Ms. Aguilar. A reminder email was sent by Mr. Flickinger on Saturday, May 15th.

Analysis:

Mr. Flickinger continues to inquire about a meeting to discuss the contract. Staff and legal counsel agree this would be a helpful step in negotiating a contract.

Staff Recommendation:

Continue to work with legal counsel on negotiating a contract with the City of Corpus Christi.

Board Action:

Provide feedback to legal counsel and staff.

Summarization:

I continue to hope that negotiation discussions will occur prior to my retirement later this summer.

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Saturday, May 15, 2021 9:33 AM
To: Lisa Aguilar [LGL]
Cc: Carola Serrato (mcserrato@stwa.org); Allison Nix
Subject: RE: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Lisa:

I have not seen any additional response from you on the prior redline draft since my email of April 28, 2021 copied below. Please advise when your review will be complete so we can schedule a meeting. 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

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From: Bill Flickinger
Sent: Friday, April 23, 2021 9:51 AM
To: Lisa Aguilar [LGL] <LisaA@cctexas.com>
Cc: Carola Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: RE: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Hi Lisa:

We deleted that section for several reasons, which are:

1. It is one of several clauses in the old contract that do not appear to be needed or appropriate.
2. STWA's system and its customers' systems are already constructed.
3. It appears this section was intended to even out the demand on the City's system and given the current demands placed on the City's system by STWA, that does not appear to be a real or current concern.
4. All future system construction and modifications will comply with TCEQ requirements, which may or may not conflict with this section.

If you believe that section or some form of it is needed, please let us know the reasons for retaining it. 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

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From: Lisa Aguilar [LGL] <LisaA@cctexas.com>
Sent: Friday, April 23, 2021 8:17 AM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Carola Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: Re: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Good morning Bill,

I'm reviewing the requested changes to provide responses, but I was wondering why Section 18 "Storage and Pumping Requirements" was deleted?

Thank you,

Lisa Aguilar
Senior Assistant City Attorney
City of Corpus Christi
1201 Leopard
Corpus Christi, Texas 78401
lisaa@cctexas.com
(361) 826-3378

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From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Monday, April 19, 2021 2:17 PM
To: Lisa Aguilar [LGL] <LisaA@cctexas.com>

Cc: Carola Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: FW: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

[[**WARNING: External e-mail. Avoid clicking on links or attachments. We will NEVER ask for a password, username, payment or to take action from an email. When in doubt, please forward to SecurityAlert@cctexas.com.]]**

Lisa:

Can you please let me know when we should expect a response to my prior emails copied below? STWA has a Board meeting next Tuesday and we need to provide the Board with an update. 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

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From: Bill Flickinger
Sent: Monday, March 15, 2021 11:48 AM
To: Lisa Aguilar (LisaA@cctexas.com) <lisa@cctexas.com>
Cc: Carola Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: FW: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Lisa:

Have you had a chance to review this revised draft? 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

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From: Bill Flickinger
Sent: Saturday, February 13, 2021 2:05 PM
To: Lisa Aguilar [LGL] <LisaA@cctexas.com>; mogserrato@stwa.org
Cc: Kevin Norton <KevinN@cctexas.com>; Gabriel Ramirez <GabrielR@cctexas.com>; Allison Nix <anix@wfaustin.com>
Subject: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Dear Lisa:

Please see the attached redline draft of the above-captioned Contract. I have provided the document in Word and pdf formats. I have indicated on the attached proposed changes from your initial draft dated 10/30/20. I have also added some notes to the attached draft to facilitate future discussions.

After you have had a chance to review the attached, please let me know when the group would be available via Zoom or telephone to discuss in detail.

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

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From: Lisa Aguilar [LGL] <LisaA@cctexas.com>
Sent: Friday, October 30, 2020 2:53 PM
To: mogserrato@stwa.org; Bill Flickinger <bflickinger@wfaustin.com>

Cc: Kevin Norton <KevinN@cctexas.com>; Gabriel Ramirez <GabrielR@cctexas.com>

Subject: Re: Executed Agreement City and STWA - Meter Relocation - 42" waterline

Good afternoon,

Here is a preliminary draft of a new treated water contract for your review, pending City staff review. Many of the sections are from the current agreement. Please review and let us know of some times you are available to discuss.

Thank you,

Lisa Aguilar
Senior Assistant City Attorney
City of Corpus Christi
1201 Leopard
Corpus Christi, Texas 78401
lisaa@cctexas.com
(361) 826-3378

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ATTACHMENT 10

NCWCID#5 Contracts

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: Nueces County Water Control and Improvement District #5 (NCWCID #5 - Banquete) Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities

Background:

Information pertaining to this matter is attached as part of the agenda item pertaining to the Incremental Fees. As reported in that memo, the contract was reviewed with the Banquete Water District Board during their April Board meeting. Attempts to determine whether that board took any action on the matter during a scheduled May 12th meeting have not been successful. It is my understanding that Office Manager Anavi King will be on maternity leave in the near future.

Analysis:

As reported in the item related to Incremental Fees, additional information was presented via email regarding the cost of the new improvements at the Banquete Pump Station as well as the pumps installed in 2009/2010 as part of a Nueces Water Supply Corporation project. Last month, the Board reviewed a draft letter pertaining to the offered contract. The Board approved sending the letter which is included in the Incremental Fee agenda section. The letter continues to encourage the District to consider the contract.

Staff Recommendation:

Continue answering any questions posed by the Banquete Water District.

Board Action:

Determine whether any other action is necessary regarding this contract.

Summarization:

I believe STWA has been responsive to the Banquete Water District's questions and concerns. The District has never requested any modification to the contract language. The provisions in the contract are the same as those offered to STWA's other wholesale customers.

ATTACHMENT 11

Incremental Increase Policy

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 18, 2021
Re: Incremental Fee Policy - Reconsideration

Background:

A copy of the Incremental Fee Policy adopted by the Board in late 2017 was included as part of last month's agenda packet. The Board considered the policy in association with the remaining wholesale customer, the Nueces County Water Control and Improvement District #5 (Banquete), that has not entered into a long-term water supply contract. The Board opted not to make any changes to the fee and instructed staff as part of this agenda item as well as the item pertaining to the contract offered to the Banquete Water District to send correspondence reiterating the importance of entering into a water supply contract. Attached is said letter.

Analysis:

A response to the letter has not been received. The Banquete Water District's Board was set to meet on May 12, 2021. According to my conversation with Office Manager Anavi King, the wholesale contract was supposed to be part of that agenda. I offered to attend the meeting; however, Ms. King indicated that the Board had received my review from the previous month's meeting as well as answers to follow-up questions via email – see attached information. Finally, I have called the Banquete office and attempted to communicate with Ms. King via text. I am awaiting a response on any action taken by their board.

Staff Recommendation:

My recommendation remains unchanged from last month; the Board should consider authorizing staff to request a proposal from NewGen Strategies to revisit the matter and provide an updated report.

Board Action:

Determine whether to authorize staff to request a proposal from NewGen to update the previous report.

Summarization:

As summarized last month, NewGen Strategies will likely have a new perspective on STWA's financial risk since the Banquete Water District is the only remaining customer without a wholesale contract.

April 28, 2021

KINGSVILLE, TEXAS 78363

Mr. Billy King, President
Nueces County WC&ID No. 5
P.O. Box 157
Banquete, Texas 78339

Re: Wholesale Water Supply Contract, Maintenance and Operations Agreement and STWA Order
Establishing Incremental Fee

Dear Mr. King:

The South Texas Water Authority (STWA) Board met on Tuesday, April 27, 2021 and revisited the enclosed Wholesale Water Supply Contract (Contract) with the Nueces County Water Control and Improvement District #5 (District #5). It is the same redline Contract provided to District #5 during your April 14th board meeting. As discussed during the meeting, the Contract is modified from the April 2020 version by deleting reference to new pump station construction since the new station is now providing service to the Nueces Water Supply Corporation (NWSC) customers. The Contract stipulates a Fees in Lieu of Taxes that District #5 pays as an out of district customer. Otherwise, the Contract contains the same provisions as STWA's contracts with other wholesale customers purchasing 100% of their needs from the Authority.

With regards to ownership of facilities, as discussed during the April 14th meeting, the new pump station facilities will belong to the NWSC upon transfer of ownership by Nueces County. The improvements at the *existing* station – controls, hydro-pneumatic tank and air compressor – can be transferred directly to District #5 or STWA. The NWSC has agreed to transfer their pumps at the existing station at no cost to STWA. The Contract is based on District #5 owning the facilities downstream of the master meter (pumps, new pressure plane facilities, emergency generator, etc.).

During the meeting, there was a brief discussion about the Maintenance and Operations Agreement. Since the last Allocation Cost provided in previous correspondence is more than a year old, the STWA Board instructed staff to update the Allocation spreadsheet and provide that information by separate cover letter.

As also discussed during the April 14th meeting, District #5 continues to pay an Incremental Fee adopted by the STWA Board in the latter part of 2017 for customers that do not have a long-term wholesale contract. During the meeting we reviewed the amounts paid by District #5 to date. The STWA Board also reviewed this information as part of an agenda item related to the Contract. Further, they reviewed the 2017 Order and have determined that a future review by STWA's consultant could be in order. However, they emphasized the need for District #5 to actively engage in Contract negotiations.

In conclusion, STWA would appreciate the Contract being placed on District #5's next agenda. Please let me know if you have any questions.

Sincerely,



Carola G. Serrato
Executive Director

CGS//

Enclosure

cc: STWA Board of Directors, Mr. Bill Flickinger, Willatt and Flickinger, PLLC

Brandon W. Barrera, President
Jose M. Graveley, Vice-President
Imelda Garza, Secretary-Treasurer
Hector Castaneda
Rudy Galvan, Jr.

(361) 592-9323 Or (361) 692-0337 (C.C. line)

Fax: (361) 592-5965

Frances Garcia
Kathleen Lowman
Patsy A. Rodgers
Carola G. Serrato, Executive Director



Anavee >

Today 1:53 PM

Is the office closed for the rest of the month? The answering machine is asking for an access code.

The answering machine has not worked for a bit so I'm not why it would be asking for an access code. The office was just closed today. I am out on leave.

I was wondering if the Board took any action on the contract during the May 12 meeting.



Text Message



From: mcserrato@stwa.org
Sent: Wednesday, May 5, 2021 4:26 PM
To: NCWCID#5 (ncwcid5@aol.com)
Cc: Billy King
Subject: Cost of Pumps, Hydro, Compressor and Controls
Attachments: Banquete PS Pump Hydro Compressor and Control Costs0001.pdf

Anavi,

Per our conversation this afternoon, attached is information on the cost of the pumps at the station as well as the new facilities (hydro, compressor and controls). The pumps were installed around the end of 2009/beginning of 2010. This was a project paid for by Nueces Water Supply Corporation which included improvements at Agua Dulce and Driscoll as well. However, the breakdown is by pump station and the improvements were about \$65,000. The 3 pumps were about \$18,000. The new improvements are also separated out by the existing versus the new pump station. The improvements at the existing station are about \$88,500. I have included a memo that discussed the Change Order from the 2009 project. Although the total cost for the Change Order is about \$14,000, the cost at the Banquete PS is less than \$3,500 and related to three (3) gate valve replacements. Finally, none of the costs include engineering fees to analyze the needs and design the projects.

Please let me know if you need any additional information.

Carola

Carola G. Serrato
Executive Director
South Texas Water Authority
2302 East Sage Rd
Kingsville, Texas 78363
361-592-9323 x112

Change Order
\$ 3,348⁰⁰

Memorandum

To: Nueces Water Supply Corporation Board of Directors
From: Carola G. Serrato, General Manager
Date: May 20, 2009
Re: Change Proposal Requests 1, 2, and 3 for Banquete, Agua Dulce, and Driscoll Pump Stations' Improvements—Hoover Construction Company Inc.

Background:

Enclosed are Change Proposal Requests 1, 2, and 3 received from Mr. Mike Bobbitt with Hoover Construction Company, Inc. for the Pump Stations' Improvement Project. Staff has been in touch with Mr. Stanley Williams with HDR Engineering regarding the requested changes and we agree that the modifications are necessary.

Analysis:

The Change Proposal Requests are as follows:

Item #	Change Proposal Request No.	Pump Station	Item Description	Amount
1	1	Agua Dulce & Driscoll	Hydropneumatic Controls	\$4,594.00
2	2	Agua Dulce	6" line extension	\$923.55
3	2	Driscoll	Pipe extension	\$973.55
4	3	Agua Dulce	Delete chlorine line -- deduct	-\$1,100.00
5	3	Driscoll	Add 6x18 in. flange	\$528.00
6	3	Banquete	Change flange coupling adapters NC	\$0.00
7	3	Banquete	Replace 3 gate valves-not working	\$3,348.00
8	3	Agua Dulce	Add 6" flexible coupling	\$1,080.00
9	3	Agua Dulce	Add 6" flanged gate valve	\$1,145.00
10	3	Agua Dulce	Relocate mercoid switch	\$1,098.00
11	3	Agua Dulce & Driscoll	Add reducers to pressure tanks	\$806.00
12	3	Agua Dulce	Add 3" flanged g. valve to press. tank	\$675.00
			TOTAL	\$14,071.10

In addition, you will note that the contractor has requested additional time. Mr. Stanley Williams, HDR Engineering, Inc., Jo Ella Wagner, Manuel Garcia and I discussed this matter. It was determined that sufficient time had been allowed and not used efficiently by the contractor. Enclosed is Mr. Williams' approval on the additional funds as well a denial on the additional time.

Staff Recommendation:

Keep the Board updated on the status of the project.

Board Action:

Provide feedback to staff on any of the above 12 items as well as the contractor's request for additional time.

Summarization:

These items are necessary components for the proper operation of the other equipment being installed.

NWSC Project - End of 2009
Beginning 2010

Pressure Maintenance Improvements
HDR Project #63969

Contractor's Application and
Certificate for Payment



To: Nueces Water Supply Corporation 111 East Sage Road Kingsville, TX 78363	From: Hoover Construction Company, Inc. 500 East Polk Burnet, TX 78611	Via: HDR Engineering, Inc. 4401 West Gate Blvd., Suite 400 Austin, TX 78745
Application No.: 4 Final		Application Period: September 18, 2009

Application for Payment

Change Order Summary

Change Orders Approved by Owner		Additions	Deductions
Number	Date Approved		
2	6/11/2009	\$14,071.10	
3	7/2/2009		\$1,300.00
TOTALS		\$14,071.10	\$1,300.00
NET CHANGE BY CHANGE ORDERS		\$12,771.10	

1. ORIGINAL CONTRACT SUM	\$266,394.00
2. Net change by Change Orders	\$12,771.10
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$279,165.10
4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate) (Column M on Stored Materials)	\$279,165.10
5. RETAINAGE: of Completed Work and Stored Material	5%
	\$0.00
6. AMOUNT ELIGIBLE TO DATE	\$279,165.10
7. LESS PREVIOUS PAYMENTS (Line 6 from prior certificate)	\$265,206.84
8. AMOUNT DUE THIS APPLICATION	\$13,958.26
9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Progress Estimate)	\$0.00

Pumps

Change Order

Contractor's Certification

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

By: Mike Bohltz Date: 9/29/09
Hoover Construction Company, Inc.

Approved For Payment:
By: Carola G. Serrato Date: 11-12-09
Carola G. Serrato, Nueces Water Supply Corporation

APPROVED FOR PAYMENT
APPROVAL: [Signature]
DATE PAID: 11/12/09
AMOUNT: 13,958.26

Payment of | \$ 13,958.26 | is recommended.

Approved For Payment:
By: Stanley J. Williams Date: 10/7/2009
HDR Engineering, Inc.



Contractor's Progress Estimate

For: Nueces Water Supply Corporation-Pressure Maintenance Improvements-Agua Dulce, Driscoll and Banquete Pump Stations										Application Number: 4		
Application Period: 18-Sep-09						Application Date: 9/18/2009						
A		B				C		D	E	F		G
Item		Units	Quantity	Unit Price	Scheduled Value	Work Completed		Materials Presently Stored (not in C or D)	Total Completed and Stored to Date (C+D+E)	% (F/B)	Balance to Finish (B-F)	
Item	Description					From Previous Application	This Period					
1	AQUA DULCE PUMP STATION IMPROV.	LS	1	\$122,154.00	\$122,154.00	\$119,319.00	\$1,535.00		\$122,154.00	100%	\$0.00	
2	DRISCOLL PUMP STATION IMPROV.	LS	1	\$79,420.00	\$79,420.00	\$69,870.00	\$9,550.00		\$79,420.00	100%	\$0.00	
3	BANQUETE PUMP STATION IMPROV.	LS	1	\$64,820.00	\$64,820.00	\$14,856.60	\$49,963.40		\$64,820.00	100%	\$0.00	
CO2	ADDITIONS	LS	1	\$14,071.10	\$14,071.10		\$14,071.10		\$14,071.10	100%	\$0.00	
CO3	DEDUCT	LS	1	-\$1,300.00	-\$1,300.00				-\$1,300.00			
Totals					\$279,165.10	\$204,045.60	\$75,119.50	\$0.00	\$279,165.10		\$0.00	

A										B				C		D	E	F		G
Item										Units	Quantity	Unit Price	Scheduled Value	Work Completed		Materials Presently Stored (not in C or D)	Total Completed and Stored to Date (C+D+E)	% (F/B)	Balance to Finish (B-F)	
Item	Description	From Previous Application	This Period																	
AQUA DULCE BREAKDOWN																				
1	RELOCATE EXIST 7,000 GAL HYDRO TANK	LS	1	\$7,000.00	\$7,000.00	7,000.00			\$7,000.00	100.0%	\$0.00									
2	INSTALL 1 NEW HIGH SERVICE PUMP	LS	1	\$10,974.00	\$10,974.00	10,974.00			\$10,974.00	100.0%	\$0.00									
3	INSTALL 1 NEW AIR COMPRESSOR	LS	1	\$13,850.00	\$13,850.00	13,850.00			\$13,850.00	100.0%	\$0.00									
4	DEMO EXIST PIPING	LS	1	\$1,000.00	\$1,000.00	1,000.00			\$1,000.00	100.0%	\$0.00									
5	DEMO EXIST EQUIPMENT PAD	LS	1	\$1,200.00	\$1,200.00	1,200.00			\$1,200.00	100.0%	\$0.00									
6	RELOCATE EQUIPMENT TO NEW AREA	LS	1	\$1,000.00	\$1,000.00	1,000.00			\$1,000.00	100.0%	\$0.00									
7	ELECTRICAL IMPROVEMENTS	LS	1	\$16,800.00	\$16,800.00	16,800.00			\$16,800.00	100.0%	\$0.00									
8	CONCRETE HYDRO TANK FOUNDATION	CY	3	\$1,000.00	\$3,000.00	3,000.00			\$3,000.00	100.0%	\$0.00									
9	FLG SUCTION/DISCHARGE IN BLDG.	LS	1	\$15,830.00	\$15,830.00	15,830.00			\$15,830.00	100.00%	\$0.00									
#	DISCHARGE OUTSIDE BLDG TO TEE	LS	1	\$29,700.00	\$29,700.00	28,215.00	1,485.00		\$29,700.00	100.00%	\$0.00									
#	6" DISCHARGE LINE TANK TO TIE IN	LS	1	\$14,400.00	\$14,400.00	14,400.00			\$14,400.00	100.00%	\$0.00									
#	1" AIR PIPING	LS	1	\$2,040.00	\$2,040.00	2,040.00			\$2,040.00	100.00%	\$0.00									
#	PIPE SUPPORT	EA	1	\$580.00	\$580.00	580.00			\$580.00	100.00%	\$0.00									
#	RELOCATE EXIST 1" CHLORINE LINE	LS	1	\$1,300.00	\$1,300.00	1,300.00			\$1,300.00	100.00%	\$0.00									
#	HOUSEKEEPING PAD NEW PUMP	EA	1	\$480.00	\$480.00	480.00			\$480.00	100.00%	\$0.00									
#	HOUSEKEEPING PAD FOR COMPRESS	EA	1	\$350.00	\$350.00	350.00			\$350.00	100.00%	\$0.00									
#	PAINT	LS	1	\$1,300.00	\$1,300.00	1,300.00			\$1,300.00	100.00%	\$0.00									
#	TESTING AND DISINFECTION	LS	1	\$1,350.00	\$1,350.00		1,350.00		\$1,350.00	100.00%	\$0.00									
	CHANGE ORDER 3	LS	1	-\$1,300.00	-\$1,300.00		-1,300.00		-\$1,300.00											
Totals					\$120,854.00	\$119,319.0	\$1,535.00	\$0.00	\$120,854.00		\$0.00									



Contractor's Progress Estimate

For: Nueces Water Supply Corporation-Pressure Maintenance Improvements-Agua Dulce, Driscoll and Banqueta Pump Stations

Application Number: 4
 Application Date: 9/18/2009

Application Period: 18-Sep-09

A		B				C		D	E	F	G
Item		Units	Quantity	Unit Price	Scheduled Value	Work Completed		Materials Presently Stored (not in C or D)	Total Completed and Stored to Date (C+D+E)	% (F/B)	Balance to Finish (B-F)
Item	Description					From Previous Application	This Period				

A		B				C		D	E	F	G
Item		Units	Quantity	Unit Price	Scheduled Value	Work Completed		Materials Presently Stored (not in C or D)	Total Completed and Stored to Date (C+D+E)	% (F/B)	Balance to Finish (B-F)
Item	Description					From Previous Application	This Period				
DRISCOLL BREAKDOWN											
1	RELOCATE EXIST 10,000 GAL HYDRO TANK	LS	1	\$7,000.00	\$7,000.00	7000.00			\$7,000.00	100.00%	\$0.00
2	INSTALL ONE NEW AIR COMPRESSOR	LS	1	\$13,850.00	\$13,850.00	13850.00			\$13,850.00	100.00%	\$0.00
3	NEW FLG DISCHARGE PIPE IN BLDG.	LS	1	\$6,550.00	\$6,550.00	6550.00			\$6,550.00	100.00%	\$0.00
4	DISCHAR PIPE OUTSIDE BLDG. TO TANK	LS	1	\$10,300.00	\$10,300.00	10300.00			\$10,300.00	100.00%	\$0.00
5	DISCHAR PIPE FROM TANK TO TIE IN	LS	1	\$11,300.00	\$11,300.00	11300.00			\$11,300.00	100.00%	\$0.00
6	NEW 1" AIR PIPING	LS	1	\$2,040.00	\$2,040.00	2040.00			\$2,040.00	100.00%	\$0.00
7	RELOCATE EXIST 1" CHLORINE LINE	LS	1	\$1,100.00	\$1,100.00	1100.00			\$1,100.00	100.00%	\$0.00
8	CONCRETE HYDRO TANK FOUNDATION	CY	3	\$1,000.00	\$3,000.00	3000.00			\$3,000.00	100.00%	\$0.00
9	ELECTRICAL IMPROVEMENTS	LS	1	\$12,400.00	\$12,400.00	12400.00			\$12,400.00	100.00%	\$0.00
#	6" PRESSURE SUSTAINING VALVE	LS	1	\$8,200.00	\$8,200.00		8200.00		\$8,200.00	100.00%	\$0.00
#	HOUSEKEEPIN PAD AIR COMPRESSOR	EA	1	\$350.00	\$350.00	350.00			\$350.00	100.00%	\$0.00
#	PIPE SUPPORT	EA	1	\$580.00	\$580.00	580.00			\$580.00	100.00%	\$0.00
#	PAINT	LS	1	\$1,400.00	\$1,400.00	1400.00			\$1,400.00	100.00%	\$0.00
#	TESTING AND DISINFECTION	LS	1	\$1,350.00	\$1,350.00		1350.00		\$1,350.00	100.00%	\$0.00
Totals					\$79,420.00	\$69,870.00	\$9,550.00	\$0.00	\$79,420.00		\$0.00

A		B				C		D	E	F	G
Item		Units	Quantity	Unit Price	Scheduled Value	Work Completed		Materials Presently Stored (not in C or D)	Total Completed and Stored to Date (C+D+E)	% (F/B)	Balance to Finish (B-F)
Item	Description					From Previous Application	This Period				
BANQUETE BREAKDOWN											
1	DEMO EXIST PUMPS AND PIPING	LS	1	\$3,000.00	\$3,000.00	\$990.00	\$2,010.00		\$3,000.00	100.00%	\$0.00
2	INSTALL 3 HIGH SERVICE PUMPS	LS	1	\$17,982.00	\$17,982.00	\$5,934.06	\$12,047.94		\$17,982.00	100.00%	\$0.00
3	INSTALL SUCTION PIPE/FLG ADAP	EA	3	\$2,200.00	\$6,600.00		\$6,600.00		\$6,600.00	100.00%	\$0.00
4	INSTALL 3" SPOOL & 90 ON DISCHARGE	EA	3	\$1,300.00	\$3,900.00		\$3,900.00		\$3,900.00	100.00%	\$0.00
5	PUT EXIST DISCHAR PIPE BACK	LS	1	\$3,000.00	\$3,000.00		\$3,000.00		\$3,000.00	100.00%	\$0.00
6	INSTALL GALV PUMP SEAL DRAIN LINE	EA	3	\$350.00	\$1,050.00		\$1,050.00		\$1,050.00	100.00%	\$0.00
7	CONCRETE HOUKEEP FOR PUMPS	EA	3	\$640.00	\$1,920.00	\$211.20	\$1,708.80		\$1,920.00	100.00%	\$0.00
8	ELECTRICAL IMPROVEMENTS	LS	1	\$23,398.00	\$23,398.00	\$7,721.34	\$15,676.66		\$23,398.00	100.00%	\$0.00
9	TIE DISCHARG HEADER TO EXIST PIPIN	LS	1	\$2,080.00	\$2,080.00		\$2,080.00		\$2,080.00	100.00%	\$0.00
10	REMOVE/RELOCATE EXIST PIPE SUPP	EA	3	\$180.00	\$540.00		\$540.00		\$540.00	100.00%	\$0.00
11	TESTING & DISINFECTION	LS	1	\$1,350.00	\$1,350.00		\$1,350.00		\$1,350.00	100.00%	\$0.00
Totals					\$64,820.00	\$14,856.60	\$49,963.40	\$0.00	\$64,820.00		\$0.00

3 pumps were ~ \$18,000.



New Added
Facilities

ESTIMATE FOR PARTIAL PAYMENT

Project Title: Banquete Booster Pump Station Cyndie Park II, TWDB Project #62622
Owner: Nueces County
Project IFB No.: 3113-19

Contractor: J. S. HAREN COMPANY
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Estimate No.: 10	For the Pay Period" 3/13/21 to 4/13/21
Date of Contract Award: January 8, 2020	Notice to Proceed: 4/30/2020
Original Contract Amount: \$1,384,950	Original Contract Days: 240
Add Total Change Order Amount: (172,129.00)	Change in Contract Days: 82
Less Contingency:	Adjusted Contract Days: 322
Adjusted Contract Amount: \$1,212,821	

ORIGINAL CONTRACT WORK/SCHEDULE OF VALUES

Item No. and Description	Bld Qty & Units	Qty Complete	Unit Price	Contract Price	Amount
A-1 Mobilization, De-Mobilization, Bonds, SWPP, NPDES	1	0.9	\$65,000.00	\$65,000.00	\$58,500.00
A-2 6" Waterline	451	451	\$100.00	\$45,100.00	\$45,100.00
A-3 All Fittings 4", 6", 8" Diameter, inc WYES, TEES, 45, 90 Caps & Ecc Reducers	25	25	\$500.00	\$12,500.00	\$12,500.00
A-4 Gate Valves 6" or 8"	6	6	\$2,000.00	\$12,000.00	\$12,000.00
A-5 8" Waterline	88	88	\$150.00	\$13,200.00	\$13,200.00
A-6 8"x6" Tee & Valve Water Tie-In, Inc all Ftgs, Valves, Piping, restraints, Flex Base Driveway repair & valve box with Conc Collar	1	1	\$4,000.00	\$4,000.00	\$4,000.00
A-7 6" Iso Valve Assy, all piping, tie-ins, ftgs, tees, valves, night work, restraints, valve box, conc collar & bends	1	1	\$3,000.00	\$3,000.00	\$3,000.00
A-8 3/4" Water Supply Re-conn, incl hose bib install (2), tie-in to 6" main, "P" trap on exist service & exist bathroom demo	1	1	\$10,000.00	\$10,000.00	\$10,000.00
A-9 Adjustable Pipe or Concrete Supports for Piping	6	6	\$1,000.00	\$6,000.00	\$6,000.00
A-11 100,000 Gal Galv Ground Storage Steel Tank, Inc Mov Fill Valve, Gate Valves, Foundation, Piping, Overflow 8" SDR26 Drainline and appurtenances - meeting all TCEQ, OSHA & AWWA Standards	1	1	\$180,000.00	\$180,000.00	\$180,000.00
A-12 FRP Bldgs, Pre-Wired Inc 1 Chlorination Bldg & 1 LAS Bldg Inc Foundations, Appurtenances, Piping, Exhaust Fan, Louvers, Thermostat, Lights, Receptacles & Injection Tie-Ins to Main	2	2	\$65,000.00	\$130,000.00	\$130,000.00
A-13 Booster Pumps in Ex shop bldg inc 2 new 500 GPM pump & motor assemblies, piping, restraints, fittings, valves, anchors & appurtenances	1	1	\$105,000.00	\$105,000.00	\$105,000.00
A-14 7,500 Gal Hydro-Pneumatic Tanks inc all piping, Ftgs, tie-ins, controls, air compressor, appurtenances, foundation, sight glass, prsisure -level sensors/transmitters and instrumentation	1	1	\$75,000.00	\$75,000.00	\$75,000.00
A-15 Metering Station, 6" flgd DI piping, 3" sensus T2 meter, ftgs, restraints, valves, sample ports, gauge, conc pad & conc supports	1	1	\$25,000.00	\$25,000.00	\$25,000.00
A-18 Plug ex water well in Cyndie Park II Subdivison per TCEQ and TDLR Requirements	1		\$6,000.00	\$6,000.00	\$0.00
B-1 Ele demo inc Removal of Ex shop bldg electrical dist system lights and removals at existing Banquete Pump Station	1	1	\$15,000.00	\$15,000.00	\$15,000.00
B-2 New Elec Dist System Inc Main Breaker, MCC, ATS, Lighting transformer, grounding, lighting panel & all elec for new hydropneumatic tank at ex Banquete Pump Station	1	1	\$140,000.00	\$140,000.00	\$140,000.00
B-3 Inst inc all Flow, Level, Pressuer & Analytical devices not provided with other systems	1	1	\$50,000.00	\$50,000.00	\$50,000.00

B-4	All conduit & wire for power & inst. Including installation, wiring termination and trenching	1	1	\$60,000.00	\$60,000.00	\$60,000.00	
B-5	VFD Control Panel Fully Wired & Tested	1	1	\$35,000.00	\$35,000.00	\$35,000.00	
B-6	Combined Pump SCADA Panel fully wired & tested to function as pump control & SCADA panel, inc all SCADA integration and graphics	1	0.9	\$68,571.00	\$68,571.00	\$61,713.90	
B-7	Diesel Generator inc controls, conn & foundation	1	1	\$64,000.00	\$64,000.00	\$64,000.00	
C-1	6" waterline	43	43	\$150.00	\$6,450.00	\$6,450.00	
C-2	7,500 Gal Hydro-Pneumatic Tanks inc all piping, Ftgs, tie-ins, controls, air compressor, appurtenances, foundation, sight glass, prsures -level sensors/transmitters and instrumentation	1	1	\$70,000.00	\$70,000.00	\$70,000.00	
C-3	Ele Requirements in Ex Banquete Booster Pump Station	1	1	\$12,000.00	\$12,000.00	\$12,000.00	
ADJUSTED CONTRACT AMOUNT COMPLETED TO DATE						\$1,212,821.00	\$1,193,463.90

This line item includes the new Hydro tank Compressor & controls.

All the "C" items are related to the existing pump station. The "A" & "B" items are for the new station.

Total for "C" items is \$ 88,450.⁰⁰

WATER SUPPLY CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF KLEBERG §

This Contract is by and between the South Texas Water Authority, a governmental agency, conservation and reclamation District and body politic and corporate, having been created under Chapter 436 Acts of the 66th Legislature, Regular Session, 1979, of the laws of the State of Texas, all pursuant to Article XVI, Section 59 of the Texas Constitution (hereinafter called the "Authority") and Nueces County Water Control and Improvement District No. 5, a water control and improvement district created and functioning under Article XVI, Section 59 of the Texas Constitution as well as Chapters 49 and 54 of the Texas Water Code (hereinafter called the "Wholesale Customer"), and is as follows.

RECITALS

WHEREAS, the Authority owns a water transmission line extending from the City of Corpus Christi O.N. Stevens Water Treatment Plant to the Authority's offices at 111 E. Sage Road, Kingsville, Texas 78363; and

WHEREAS, the Authority has entered into that certain Water Supply Agreement by and between the Authority and the City of Corpus Christi dated October 14, 1980, pursuant to which the Authority purchases water for resale to its customers; and

WHEREAS, the Authority is willing to sell, and the Wholesale Customer is willing to buy, water available to the Authority from the City of Corpus Christi.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained the Authority and the Wholesale Customer agree as follows:

SECTION 1. DEFINITIONS. Terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

(A) "Corpus Christi Water Supply Agreement" shall mean the Water Supply Agreement by and between the Authority and the City of Corpus Christi dated October 14, 1980, as amended and supplemented from time to time and as modified by the Settlement Agreement and Mutual Release between the Authority, San Patricio Municipal Water District and the City of Corpus Christi effective as of August 13, 2013.

(B) "Fiscal year" shall mean the twelve month period beginning on October 1 and ending September 30 or such other twelve month period as designated by the Authority.

(C) "Maintenance and Operating Expenses" shall mean all costs of the Authority for operation, maintenance, repair and replacement of the System to the point of delivery for each Wholesale Customer, including, but not limited to, accounting, administration, engineering, and legal expenses and a reasonable reserve to pay for any extraordinary or nonrecurring expenses of operation or maintenance of the System and for replacements and repairs if such expenses should become necessary. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or other services for the System. Maintenance and Operating Expenses shall not include any costs or expenses incurred by the Authority in connection with Special Services.

(D) "Maintenance and Operations Tax" shall mean the ad valorem tax levied by the Authority in accordance with Chapter 49 of the Texas Water Code as authorized by the election of August 11, 2001, at a rate not to exceed \$0.12 per \$100 taxable value.

(E) "Special Services" shall mean services provided by the Authority to a Wholesale Customer or other entity for the operation, maintenance or management of any facilities or operations of such party that are not part of the Authority's System.

(F) "System" shall mean the Authority's existing water supply and distribution system, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof.

(G) "System Operating Charge" shall mean the monthly charge, per 1,000 gallons described in Section 8 consisting of the "pass through charge" for the purchase of water from the City of Corpus Christi and the "handling charge" to pay Maintenance and Operating Expenses.

(H) "Wholesale Customers" shall mean the Cities of Agua Dulce, Bishop, Driscoll and Kingsville, Nueces County Water Control and Improvement District No. 5, Nueces Water Supply Corporation and Ricardo Water Supply Corporation, and any other future contracting parties that purchase water from the Authority for municipal, industrial or agricultural purposes.

SECTION 2. QUANTITY. The Authority agrees to sell and deliver to Wholesale Customer at the delivery point hereinafter specified, and Wholesale Customer agrees to purchase and take at said delivery point, all water required by Wholesale Customer during the period of this agreement for its own use and for distribution to all customers served by Wholesale Customer's water distribution system at a maximum authorized daily purchase rate which, together with the actual production capacity of the Wholesale Customer's system, is at least 0.6 gallon per minute per connection in the Wholesale Customer's water distribution system. The word "connection" as used in this paragraph shall have the same meaning as in Texas Administrative Code Title 30, Part 1, Chapter 290, Subchapter D, Section 290.38(14) in an amount up to 0.6 gpm per connection.

The Authority will use its best efforts to remain in the position to furnish water sufficient for the reasonable demands of Wholesale Customer, but its obligations shall be limited to the quantity of water available to it under its contract with the City of Corpus Christi. If the Authority determines that it is not able to furnish the Wholesale Customer with the foregoing amount of water, the Wholesale Customer shall be authorized to obtain water in an amount equal to that which the Authority cannot provide from any other source.

SECTION 3. QUALITY. The water which will be delivered to the Wholesale Customer by the Authority will be as received from the City of Corpus Christi, as changed by the transportation process. The Authority may add additional disinfection. The Wholesale Customer has satisfied itself that this water will be suited for its needs.

SECTION 4. POINTS OF DELIVERY AND TITLE, AND DEDICATION OF CAPACITY IN FACILITIES.

Attached hereto as Exhibit "A" is a schematic diagram involving the transfer of water from the Authority to the Wholesale Customer's distribution system. The Point of Delivery of the water by the Authority to the Wholesale Customer shall be the outlet of the Authority's meter located immediately before the water enters the 100,000 gallon ground storage tank and 40,000 gallon ground storage tank, which are owned by Wholesale Customer, shown on Exhibit "A" attached hereto, and any other points of delivery mutually agreed upon by the Wholesale Customer and the Authority. The Wholesale Customer shall provide and maintain a clean air gap between the Authority's system and the Wholesale Customer's distribution system at the Point of Delivery shown on Exhibit "A," and any other points of delivery mutually agreed upon by the Wholesale Customer and the Authority. ~~Until construction of a new pump station is completed, the volume of water that is billed to the Wholesale Customer shall be the amount of water delivered through the foregoing Point of Delivery minus the amount of water delivered by the Authority through that Point of Delivery that is delivered to Nueces Water Supply Corporation, as shown in Exhibit "A" attached to this Agreement.~~

Title to all water supplied hereunder shall remain in the Authority to the Point of Delivery, and upon passing through the Authority's meter or meters installed at the specified Point of Delivery such title to the water shall pass to the Wholesale Customer. Each of the parties hereto shall be responsible for and agrees to save and hold the other party harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

~~The Authority is in the process of constructing a new pump station. It is anticipated that the new pump station will be completed in the next 240 days. After completion of the new pump station, the Authority will execute a bill of sale substantially in the same form as that attached hereto as Exhibit "B," thereby conveying to the Wholesale Customer the pumps, controls, piping, hydro-pneumatic tank, controls and compressor, shown on Exhibit "C" as well as an emergency generator.~~

SECTION 5. MEASURING EQUIPMENT.

(A) Authority shall furnish, install, operate and maintain at its own expense the necessary metering equipment of standard type for measuring properly the quantity of water delivered under this agreement. Such metering equipment shall be located on the Authority's supply main at a location already designated by Authority. Such meter or meters and other equipment so installed shall remain the property of Authority. The reading, calibration and adjustment of the meter equipment shall be done only by the employees or agents of the Authority. However, the Wholesale Customer shall have access to such metering equipment at all reasonable times. For the purpose of this Agreement, the original record or reading of the main meter shall be the journal or other record book of the Authority in its office in which the records of the employees or agents of the Authority who take the reading are or may be transcribed. Upon written request of Wholesale Customer, the Authority will give the Wholesale Customer a copy of such journal or record book, or permit the representative designated by Wholesale Customer Board resolution to have access to the same in the office of the Authority during reasonable business hours.

(B) Not more than once in each calendar year, on a date as near the end of the Authority's fiscal year as practical, the Authority shall calibrate its main meter or meters and present to the Wholesale Customer accuracy certification. This calibration shall be performed in the presence of a representative of Wholesale Customer, and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary, and if the check meter hereinafter provided for has been installed, the same shall also be calibrated in the presence of a representative of the Wholesale Customer and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary. The Authority shall give Wholesale Customer notice of the time when any such calibration is to be made. If a representative of Wholesale Customer is not present at the time set, the Authority may proceed with calibration and adjustment in the absence of any representative of the Wholesale Customer.

(C) If either party at any time observes a variation between a main delivery meter and the check meter, if any such check meter shall be installed, such party will promptly notify the other party, and the meters shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours notice of the time of any test of meter so that the other party may conveniently have a representative present.

(D) If, upon any test, the percentage of inaccuracy of metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half ($\frac{1}{2}$) of the time elapsed since the last date of calibration, but in no event farther back than a period of six (6) months. If, for any reason, the main meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered, through the period such meter is out of service or out of repair, shall be estimated and agreed upon by the parties thereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter if the same has been installed and is accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting

the error if the percentage of error is ascertainable by calibration tests of mathematical calculation, or (ii) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter was registering accurately.

(E) The Wholesale Customer may, at its option and its own expense, install and operate a check meter to check the meter installed by the Authority, but the measurement of water for the purpose of this agreement shall be solely by the Authority's meter, except in the cases hereinabove specifically provided to the contrary. Such check meter shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Authority, but the reading, calibration and adjustment thereof shall be made only by the Wholesale Customer, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration, and adjustment thereof shall be made by the Authority with like effect as if such check meter had been furnished or installed by the Authority.

SECTION 6. MEASUREMENT AND UNIT OF MEASUREMENT. The volume of water that is billed to the Wholesale Customer shall be the amount of water delivered through the points of delivery described in the exhibits attached to this Agreement minus the amount of water delivered by the Authority through those points of delivery that is delivered to other customers, as shown in the exhibits attached to this Agreement. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

SECTION 7. DELIVERY PRESSURE. The water shall be delivered by the Authority at the point of delivery at the Wholesale Customer's system at "0" pressure.

SECTION 8. PRICES AND TERMS.

(A) System Operating Charge. The System Operating Charge shall be billed monthly as a price per 1000 gallons of water purchased by the Wholesale Customer. The System Operating Charge shall consist of the sum of (1) a "pass through charge" to recover the cost of water purchased pursuant to the Corpus Christi Water Supply Agreement at a rate equal to the cost of water, per 1000 gallons, from the City of Corpus Christi, and (2) a "handling charge" which shall be a rate equal to the estimated annual Maintenance and Operating Expenses per 1000 gallons, less the amount of Maintenance and Operations Tax revenues budgeted for payment of Maintenance and Operating Expenses. In addition, because Wholesale Customer is located outside of the Authority's boundary it shall also pay a "fee in-lieu of taxes" which shall be equal to the Wholesale Customer's most recent certified tax roll multiplied by the Authority's adopted tax rate, to be calculated annually and billed as a separate monthly charge. Maintenance and Operating Expenses shall not include any management fees or similar expenses related to Special Services. All rates charged for Maintenance and Operating Expenses shall be set to recover the cost of service, based on generally accepted rate making principles, including those set forth in the American Water Works Association ("AWWA") Manual M1 on water rates. The amount of the Maintenance and Operations Tax shall be determined by the board of directors of the Authority in its sole discretion.

Wholesale Customer shall be responsible for the cost of operation, maintenance, repair and replacement of the facilities located after the point of delivery.

Each year after the Authority receives its audit, the Authority will conduct a "true-up" for the year to which the audit applies; i.e., the prior year, using audited costs to determine if there was any over-recovery or under-recovery of costs during that year. Any over-recovery or under-recovery of costs will be carried over as a credit or debit, as appropriate, to the costs included in the budget that are considered to determine the price for the following year. (There will be a one-year delay in each "true-up").

(B) Authority Budget. The Authority's fiscal year shall be from October 1 through September 30 of each year, or such other period as the Authority, after sixty (60) days written notice to the Wholesale Customer, shall adopt. Not later than the forty-fifth (45th) day before the beginning of the Authority's next fiscal year, commencing with the Authority's fiscal year in which this Agreement becomes effective, the Authority shall provide the Wholesale Customer with a copy of the Authority's proposed budget for the following fiscal year, showing the budgeted total annual rate, and the components thereof, to be paid by the Wholesale Customer to the Authority for the fiscal year of the Authority to which the budget applies for sale and purchase of water under this Agreement. The Wholesale Customer shall have thirty (30) days to review and provide written comments on the proposed budget. The Authority shall adopt its fiscal year budget as soon as practicable following the expiration of such thirty (30) day period and shall deliver to the Wholesale Customer a copy of the fiscal year budget within five (5) days after the adoption thereof.

(C) Unconditional Obligation to Pay - The Wholesale Customer shall be obligated to pay, each month, the payments required by this Agreement, without offset or counterclaim. This covenant shall be for the benefit of the holders of the Authority's bonds, secured in whole or in part from the revenues of the System, if as and when any bonds are outstanding.

(D) Billing and Payment - The Authority shall bill the Wholesale Customer monthly for the amounts due the Authority hereunder for the preceding billing period which bill shall disclose the nature of the amounts due. Such monthly bills shall be normally delivered to the Wholesale Customer within ten business days after the end of each calendar month. All such bills shall be paid by the Wholesale Customer on or before the last day of the month in which they are received, at the office of the Authority in Kingsville, Texas. Any mistakes in calculations or figures shall not alleviate the Wholesale Customer's obligation to pay the bill in full. Any mistakes in any calculations or figures shall be corrected immediately upon discovery and the corrected bill will be furnished to the Wholesale Customer. An adjustment in the amount paid as a result of such mistake in calculation or figure will be added or deducted from the following month's bill, as appropriate. If the Wholesale Customer disputes a bill, it shall nevertheless pay the bill, in full, pending any refund, as may be determined as a result of appeal of the disputed bill. The dispute may be resolved by agreement, or by appropriate administrative agency or court decision.

(E) Late Payment - In the event the Wholesale Customer shall fail to make any payment required to be made to the Authority under this Contract, within the time specified herein, interest on the amount due shall accrue from the time payment is due at the rate of fifteen percent (15%)

per annum, or the maximum rate allowed by law, whichever is less. In the event any such payment is not made within sixty days from date such payment becomes due, the Authority may, at its option, discontinue the delivery of water to the Wholesale Customer until the amount then due the Authority is paid in full with interest as above specified.

SECTION 9. SPECIAL CONDITIONS.

(A) Wholesale Customer represents and covenants that the water supply to be obtained pursuant to this Contract is essential and necessary to the operation of its waterworks system, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of Wholesale Customer's waterworks system, and that all such payments will constitute reasonable and necessary operating expenses of Wholesale Customer's waterworks system under any and all revenue bond issues of Wholesale Customer, with the effect that the Wholesale Customer's obligation to make payments from its waterworks revenues under this Contract shall have priority over its obligations to make payments of the principal of and interest on any and all of its revenue bonds.

(B) Wholesale Customer agrees to fix and collect such rates and charges for water and services to be supplied by its waterworks system as will make possible the prompt payment of all expenses of operating and maintaining its waterworks system, including all payments contracted hereunder, and the prompt payment of the principal of and interest on its obligations payable from the revenues of its waterworks system.

(C) During any period of time when, in the judgment of the Authority, there is a critical shortage of water in the sources of supply available to Authority, which makes it impractical or inadvisable for Authority to deliver to the Wholesale Customer and its other customers with whom it has water supply contracts the full amounts of water required to be delivered thereunder, the water deemed available by the Authority from its sources of supply, shall be rationed to the Wholesale Customer and the other customers during each month of such period of time, in accordance with the "Drought Contingency Plan for the South Texas Water Authority" adopted on April 24, 2018, as it may be amended from time to time. Such rationing shall also be subject to the requirements of Section 10 of this Contract.

(D) The Wholesale Customer is participating in the Federal Flood Insurance Program and will continue to do so during the term of this Contract.

SECTION 10. CORPUS CHRISTI CONTRACT AND DROUGHT CONTINGENCY PLAN. The Wholesale Customer acknowledges that it is required by Sec. 11.1272, Water Code, to develop a drought contingency plan consistent with the appropriate approved regional water plan. Wholesale Customer also acknowledges that the Corpus Christi Water Supply Agreement requires that, if the City of Corpus Christi implements any measures under its Water Conservation and Drought Contingency Plan, the Authority shall within thirty (30) days of notice of the implementation of any restrictions, surcharges or rationing by the City of Corpus Christi, impose similar restrictions, surcharges or rationing measures on its Wholesale Customers. Any contract for the resale of water furnished by the Authority shall contain a similar condition.

Accordingly, the Wholesale Customer agrees that it will adopt a water conservation plan and drought contingency plan consistent with those of the City of Corpus Christi, as the latter may be amended from time to time.

Wholesale Customer understands and agrees that all Wholesale Customers shall be subject to and bound by the same provisions regarding priorities of user of water and that, therefore, should there be a shortage in the basic supply of water, from the City of Corpus Christi or otherwise, which requires the restriction or curtailing of any Wholesale Customer of water (a/k/a rationing of water), the Authority will limit and restrict all of its Wholesale Customers, to the same extent and on a pro rata basis, and will require its Wholesale Customers to treat all of their customers equally.

SECTION 11. FORCE MAJEURE. In case by reason of force majeure either party hereto shall be rendered unable wholly or partially to carry out its obligations under this Contract, other than the obligation of Wholesale Customer to make the payments required under the terms hereof, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines or canals, partial or entire failure of water supply, or inability on the part of the Authority to delivery water hereunder on account of any other causes not reasonably within the control of the Authority. It is understood and agreed that the settlement of strikes and lockouts may be difficult, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

SECTION 12. TERM OF CONTRACT. The initial term of this Contract shall be for five (5) years ("Initial Term") and will be automatically renewed for three (3) sequential terms of five (5) years each, unless one Party gives the other Party written notice of termination at least 365 days and not more than 545 days prior to the end of the Initial Term or any subsequent term.

SECTION 13. REMEDIES UPON DEFAULT

(A) Remedies. The parties agree that the Authority's undertaking to provide water is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone. Accordingly, the Authority agrees, in the event of any default on its part, that the

Wholesale Customer shall be entitled to specific performance in addition to any other available legal or equitable remedies.

(B) Remedies Cumulative/Not Exclusive. The remedies provided for herein are not exclusive remedies. All other remedies at law or in equity may be availed of by either party and shall be cumulative except to the extent otherwise specifically provided, or limited, under this Agreement.

(C) CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOST PROFITS WHETHER ARISING IN AGREEMENT, TORT, STRICT LIABILITY OR OTHERWISE.

(D) Jurisdiction. The Authority and the Wholesale Customer agree that, if either of them disputes the rate charged pursuant to this contract, either of them may appeal the rate to the Public Utility Commission ("PUC"). If the PUC for any reason refuses to hear the appeal for want of jurisdiction, or otherwise, the dispute may be resolved by the district court of Kleberg County, Texas.

SECTION 14. GENERAL PROVISIONS

(A) Covenant of Good Faith and Fair Dealings. The Authority and the Wholesale Customer agree to cooperate and to deal with one another fairly and in good faith at all times to effectuate the purposes and intent of this Contract. They also agree to execute and deliver such further legal documents or instruments and to perform such further acts as are reasonably necessary to effectuate the purposes and intent of this Contract.

(B) TAX-EXEMPT BONDS. The Wholesale Customer understands that the Authority has issued or will issue bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Bonds") for improvements to the System and that the federal income tax laws impose certain restrictions on the use of proceeds of any such Tax-Exempt Bonds and on the use of the facilities and property financed by the Tax-Exempt Bonds and the output produced from such facilities and property. Accordingly, the Wholesale Customer will not enter into a water supply contract or other agreement with a customer of such Wholesale Customer which contains take-or-pay, contract minimums, output requirements, special rates and charges or similar provisions, unless it has notified the Authority in writing of the Wholesale Customer's intent to enter into such contract at least 60 days prior to the execution of such contract or agreement. The parties may rely on the opinion of nationally-recognized bond counsel to ensure compliance with this Section. This Section shall no longer apply to any Wholesale Customer if any of the outstanding bonds of the Authority allocable to the portion of the System used by the Wholesale Customer are not Tax-Exempt Bonds.

(C) Notices. Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery, by facsimile, or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall

be deemed given when received by facsimile or by personal delivery, or three days after deposited with the United States Postal Service with sufficient postage affixed.

Any such notice mailed to the Authority shall be addressed:

South Texas Water Authority
2302 East Sage Road P.O. Box 1701
Kingsville, Texas 7836378364
Attn: Executive Director
Fax: (361) 592-5965

Any such notice mailed to the Wholesale Customer shall be addressed:

Nueces County Water Control and Improvement District No. 5
P.O. Box 157
Banquete, Texas 78339
Attn: Office Manager
Fax: (361) 387-4144

Either party may change the address or facsimile number for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

(D) Approvals. Whenever the term "approve" or "approval" is used in this Contract, the party whose approval is required will not unreasonably withhold or delay it. Where approval is necessary, the party seeking approval may request approval in writing. If the party whose approval is requested fails to either approve the submittal or provide written comments specifically identifying the required changes within 21 working days, the submittal, as submitted by the requesting party, will be deemed to have been approved by the party whose approval is requested.

(E) Waiver. The failure on the part of either party to require performance by the other of any portion of this Contract shall not be deemed a waiver of, or in any way affect that party's rights to enforce such provision. Any waiver by either party or any provision of this Contract shall not be a waiver of any other provision hereof.

(F) Severability. The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract.

(G) Attorney's Fees. In the event either party shall become a party to any litigation against the other to enforce or protect any rights or interest under this Contract and shall prevail, the losing party shall reimburse the prevailing party for all investigative and court costs and attorney's fees incurred in such litigation.

(H) Governing Law. This Contract shall be governed by the laws of the State of Texas and venue shall lie in Kleberg County, Texas.

(I) Binding Effect. The Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(J) Time. Time is of the essence. Unless otherwise specified, all references to "days" means calendar days. If the date for performance of any obligation falls on a Saturday, Sunday, or legal public holiday, the date for performance will be the next following regular business day.

(K) No Partnership, Agency or Third Party Beneficiaries Intended. Nothing in this Contract will be construed as creating any form of partnership or joint venture relationship between the parties, nor shall either party be authorized to act as an agent for the other party. Nothing in this Contract shall be construed to confer any right, privilege or benefit on, or to otherwise create any vested right or third-party beneficiary relationship with any person or entity not a party to the Contract.

(L) Authority. Each of the persons signing on behalf of the Wholesale Customer and the Authority hereby confirm that they have the authority to execute this Contract on behalf of the party indicated by their signature and have the authority to bind such party hereto.

(M) Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

(N) Entire Contract. This Contract contains all agreements between the parties hereto and any agreement not contained herein shall not be recognized by the parties. The captions used herein are for convenience only and shall not be used to construe this Agreement. Words of gender shall be construed to include any other gender, and words in the singular shall included the plural and vice versa unless the context requires otherwise.

(O) Counterparts. This Agreement may be executed by the parties in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same instrument.

(P) Effective Date. The effective date of this Contract shall be the date on which it has been executed by both the Authority and the Wholesale Customer.

[Signatures to follow.]

SOUTH TEXAS WATER AUTHORITY

By: _____
President, Board of Directors

Date of execution: _____

ATTEST:

Secretary, Board of Directors

[AUTHORITY'S SEAL]

NUECES COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 5

By: _____
President

Date Signed: _____

ATTEST:

By: _____
Secretary

[DISTRICT'S SEAL]

LIST OF EXHIBITS

Exhibit "A" - Schematic diagram involving the transfer of water from the Authority to Wholesale Customer's distribution system

Exhibit "B" - Bill of Sale

Exhibit "C" - Schematic diagram involving the transfer of water from the Authority to Wholesale Customer's distribution system, after construction of the new pump station.

ATTACHMENT 12

February 2021 Freeze Event

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: February 2021 Freeze Event – Status Update

Background:

Enclosed are the May memos to the Nueces and Ricardo Water Supply Corporation Boards. As you can see, there are a few items that still require attention. Filed insurance claims have been processed and payments to the Nueces Water Supply Corporation were received. Enclosed are spreadsheets with a breakdown by pump station.

Analysis:

STWA's and WSC's insurance providers have notified Business/Risk Manager Frances DeLeon that overtime will likely *not* be paid unless it is associated with a repair of equipment/property covered by a policy.

Staff Recommendation:

Keep the Board updated on any insurance claims. Should it be necessary, file claims with FEMA.

Board Action:

Provide feedback to staff.

Summarization:

The Authority's insurance provider may cover the cost of repairing damaged property such as the piping at the Driscoll Pump Station. However, STWA's deductible will likely reduce the reimbursement by almost half.

Memorandum

To: Ricardo Water Supply Corporation Board of Directors
From: Carola G. Serrato, General Manager
Date: May 5, 2021
Re: February 2021 Freeze Event

Background:

Enclosed is an updated list of the main items affected during the freeze. As reported in the April memorandum on this subject, the overtime associated with the event was \$1,990.70. The estimate last month for the total cost was \$3,849.35 and the main items needing to be addressed were a crack at the top of one of the three ground storage tanks at PS #2, yard piping repairs at PS #3 and the replacement of a 10" valve on the bypass piping at PS #1.

Analysis:

As you can see from the enclosed list. The remaining items are the valve at Pump Station #1. Although the yard piping has been fixed at Pump Station #3, the tanks needed to be disinfected and Bac-T samples collected prior to being put back online. Staff anticipates that will occur next week. Also enclosed is WO # 6548 for the repair to that station. This added cost brings the Corporation's total to \$4,539.35

Frances DeLeon, Business/Risk Manager, continues to remain in contact with AIA Insurance (AIA), the Corporation's property insurance provider. Enclosed is the communication between AIA and Ms. DeLeon. In the last memo, staff reported that AIA would be inspecting the tank at PS #2. The inspection occurred; however, it appears the claim will likely be denied.

Staff Recommendation:

Keep the Board updated on the status of costs, insurance reimbursements and any necessary FEMA claims.

Board Action:

Provide feedback to staff.

Summarization:

Staff continues to work on the last remaining items. It appears that the valve at PS #1 may require scheduling during late night hours when the pump station can be isolated with the elevated tank at full capacity while the work is being done.

Ricardo Water Supply Corporation - February Freeze Event Problems and Status

As of May 5, 2021

PS	Problem	Status
1	10" valve on MR Bypass needs to be replaced - cracked	Valve is in stock and remains to be scheduled - see May 2021 Board memo.
1	All pvc plumbing in disinfection bldgs cracked/leaked.	All have been fixed or replaced.
1	Disinfection 3/4" valves broke.	All have been fixed or replaced.
1	Flow switches on GST and EST stopped working.	All have been fixed.
1	Pumps not working in auto. No signals coming in.	PS is working in auto again.
1	PSI Level Control and copper line on EST froze.	Working again.
2	Southeast GST cracked at top of tank.	Level is kept below crack. Not leaking now. AIA Insurance has indicated it will likely be declined
2	Flow Switch on EST was not working.	Working again.
2	Meter Run froze.	Back to normal operations.
3	No power and no emergency generator.	PS taken offline and customers put on PS1
3	MR piping to GST separated.	Piping has been repaired. Pump station is scheduled to be put back online on the week of 5/10/21

Memorandum

To: Nueces Water Supply Corporation Board of Directors
From: Carola G. Serrato, General Manager
Date: May 7, 2021
Re: February 2021 Freeze Event – Winter Storm Uri

Background:

Attached is the memo from last month's agenda packet. Since that time, claim payments have been received as detailed in the attached spreadsheets. As expected, the pump station with the highest cost was Sablatura Park as a result of the power outages, damage to the generator, required overtime and generator rental. At this time, the remaining items needing repair or replacement are:

- Leaking seals on a Central PS pump

Analysis:

Staff will continue to work on insurance claims in response to requests for information from AIA Insurance (AIA). However, it appears the majority of the overtime during the freeze will not be reimbursed by AIA or TML Insurance, STWA's provider, unless it is associated with damaged equipment. The invoices from vendors/suppliers have been submitted in hopes that will be sufficient proof of such. Staff thinks the overtime for Sablatura Park and Bishop East Pump Stations has a more favorable chance for reimbursement. We are not certain about Agua Dulce, Banquete, Central and Driscoll Pump Stations.

Staff Recommendation:

Keep the Board updated on the status of costs, insurance reimbursements and any necessary FEMA claims.

Board Action:

Provide feedback to staff.

Summarization:

Staff will continue to work towards getting reimbursement for the expenses associated with Winter Storm Uri.

**Freeze Event Totals - All Nueces Stations
as of 5-7-2021**

	Expenses	Insurance Reimbursement	
		NWSC	STWA
Materials	\$12,240.00	\$0.00	\$0.00
Scott Electric	\$3,254.62	\$0.00	\$0.00
Stewart and Stevenson	\$5,976.85	\$4,979.00	\$0.00
MNI	\$5,598.43	\$3,656.63	\$0.00
Miscellaneous	\$253.07	\$0.00	\$0.00
Overtime	<u>\$4,735.86</u>	<u>\$0.00</u>	<u>\$0.00</u>
	\$32,058.83	\$8,635.63	\$0.00
		Balance after Insurance	
NWSC Cost	\$28,075.29	\$19,439.66	
STWA Cost	<u>\$3,983.55</u>	\$3,983.55	
	\$32,058.83		

Location: Agua Dulce PS -Intersection of CR 38 & King Ave, Agua Dulce, TX

Description	Material Cost	Complete?	Update
Valve leaking from Stem on Bypass Meter Run Line	None	Yes	Field Personnel able to rework and leaking stopped.
Cracked 10" Valve on Ground Storage Tank Overflow	\$1,674.36	Yes	Replaced during regular hrs about 12 manhours (3 techs).
Control Panel for Pumps not Operating	None	Yes	Invoice from Scott Electric \$385
Emergency Generator operating erratically	None	Yes	Invoice from Scott Electric - see above line
Disinfection lines cracked and frozen	\$55.90	Yes	Included with OT above
Transmitter & gauges not working on Tank level & pumps	None	Yes	Included with OT above

Material	\$1,730.26
Scott Electric	\$385.00
Overtime	<u>\$765.95</u>
	\$2,881.21
NWSC Cost	\$2,498.24
STWA Cost	<u>\$382.98</u>
	\$2,881.21

Location: Banquete PS - 5011 County Road 40, Banquete, TX

Description	Material Cost	Complete?	Update
Couplings on Ground Storage Tank Transmitter cracked	\$ 55.90	Yes	Repaired during freeze event
Couplings on Meter Run Transmitter cracked	See Above	Yes	Repaired during freeze event
Elevated Tank Transmitter not working-pumps not turning on	None	Yes	Scott Electric assisted with repair.

Material	\$ 55.90
Scott Electric	\$ 411.33
Overtime	\$ 236.93
	<u>\$ 704.16</u>
NWSC Cost	\$ 352.08
STWA Cost	\$ 352.08

Location: Bishop East PS - South Birch St/Joyce Ave @ City Park, Bishop, TX

Description	Material Cost	Complete?	Update
Flow control switches and Motor Operated Valve control switch frozen	None	Yes	Repaired during freeze event
Couplings/Piping on Disinfection Lines cracked	\$111.79	Yes	Repaired during freeze event
Cracked Valve on Hydro-pneumatic tank	\$499.42	Yes	Blind flanged to stop leak - fixed during Reg hrs by FTs
Automatic Transfer Switch (ATS) on Emergency Generator stopped working	None	Yes	Repaired during freeze event

Material	\$611.21
Scott Electric \$	315.00
Stewart and Stevenson (generator) \$	339.75
Overtime \$	<u>956.59</u>
	\$2,222.55
NWSC Cost	\$2,222.55
STWA Cost	\$0.00

Location: Central PS - Northwest Corner of FM 2826 & County Road 79

Description	Material Cost	Complete?	Update
Couplings on Pressure Transmitters broke	\$ 55.90	Yes	Repaired during freeze event
Valve on Hydro-pneumatic tank cracked (STWA Hydro)	\$ 499.42	Yes	Blind flanged to stop leak - fixed during Reg hrs by FTs
Motor Operated Valve stopped working	None	Yes	Repaired during freeze event
One of 5 pumps leaking from seals	None yet	No	This still needs to be repaired.

Material \$ 555.32
 Overtime \$ 431.92
 \$ 987.24

NWSC Cost \$ 215.96
 STWA Cost \$ 771.28
 \$ 987.24

Location: Driscoll PS - NE Corner of 4th Street & West Ave E, Driscoll, Tx

Description	Material Cost	Complete?	Update
Rosemont Pressure Transmitter on City's Elevated Tank not working so pumps would not turn on	None	Yes	Repaired during Reg Hrs by Field Personnel
Piping on Disinfection Lines cracked	\$55.90	Yes	Repaired during Reg Hrs by Field Personnel
Valve on Meter Run Bypass cracked	1006.79	Yes	Repaired during Reg Hrs by Field Personnel
Coupling on Flow Switch Cracked	See Disinfection item	Yes	
Pump for Elevated Tank would not work in Automatic	None	Yes	
City Pump Check Valve - may not be associated with freeze	\$730.69	No	Check Valve needs replacing - ordered/delivered

Material	\$1,793.38
Scott Electric \$	560.00
Overtime \$	<u>247.66</u>
	\$2,601.04
NWSC Cost \$	123.83
STWA Cost \$	<u>2,477.21</u>
\$	2,601.04

Location: Sablatura Park PS - Nueces County Park - Sablatura - Hwy 44 - East of Agua Dulce

Description	Material Cost	Complete?	Update
Cla-Val Valve which allows Storage Tank to fill not working	\$6,400	Yes	Repaired after the freeze during Reg hrs by field personnel
Isolation valves on Pump Station Meter Cracked	\$982	Yes	Repaired after the freeze during Reg hrs by field personnel
Disinfection lines cracked and frozen	\$111.79	Yes	Repaired during freeze event
Meter Froze - Replacement not necessary	None	Yes	Tested by Gary Faber, FMS, within +/-2%
Control Panel on Emergency Generator burned out	See below	Yes	Temporary service during freeze, repaired after event
Material	\$7,493.93		
Scott Electric (hooked up temp generator /bought wiring)	\$1,583.29		
Stewart and Stevenson (generator rental)	\$5,637.10		
MNI (diagnosed problem w/ generator control panel - then replaced)	\$5,598.43		
O'Reilly's (battery/lock) Lowe's (various parts)	\$253.07		
Overtime	<u>\$2,096.81</u>		
	\$22,662.63		
NWSC Cost	\$22,662.63		
STWA Cost	\$0.00		

ATTACHMENT 13

ERCOT Ancillary Service Charges

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: GEXA Charges – Ancillary Fees – Winter Storm Uri

Background:

Enclosed please find a letter from TCAP, STWA's aggregation energy provider, regarding ancillary fees that GEXA, STWA's Retail Energy Provider under our contract with TCAP, will be charging. GEXA has notified STWA that fees in the amount of \$25,265.67 have been assessed. GEXA is offering three (3) payment options: full payment, 19 months to pay (December 2022) and a long-term plan until December 2028, if participating in the new SHP CESA contract (STWA signed that contract).

Analysis:

STWA has the funds available to pay the assessed fee. Arguably, this entire situation is very unfair. The State will need to take strong action to ensure that standby power generation is readily available and power generators act in an ethical manner to provide energy that does not create these types of ancillary charges. Supposedly, the legislature is looking at ways to ensure that the ancillary cap of \$20,000 per megawatt hour is corrected.

Staff Recommendation:

Pay the fees in a lump sum.

Board Action:

Determine whether to pay the fees in a lump sum or an added cost every month.

Summarization:

It is probably safe to say very few parties are happy about this development. It is also probably safe to say that a future reimbursement will likely not happen.



May 5, 2021

Ms. Carola Serrato
Executive Director
South Texas Water Authority
2302 E Sage Rd
Kingsville, TX 78363

RECEIVED

MAY 10 2021

SOUTH TEXAS WATER AUTHORITY

Dear Carola,

The February winter storm was unprecedented and devastating to the State of Texas. The effects are still being felt and will be for a while. We have been made aware of some storm related charges by retail electric provider GEXA and wanted to inform you about them prior to receiving a letter from GEXA.

A member's monthly bill is comprised of three main components, the energy rate, the transmission and distribution rate, and the ancillary charges rate. TCAP works to set a fixed energy rate that covers the cost of the power, which is fixed for the life of the contract. The PUC approves the transmission and distribution rate that covers the cost to get the electricity to users, which may change annually. ERCOT sets the ancillary charges rate that is meant to ensure grid reliability, which changes hourly. (Please see the attached FAQ sheet for more information.)

Due to TCAP membership, there were no extreme energy rate fluctuations as other consumers experienced. However, the winter storm caused unprecedented peaks in the ERCOT ancillary service charge which is now being assessed to every consumer within ERCOT, not just our members. There was nothing that TCAP could have done to prevent this charge.

Although the ancillary service charge spike caused by the winter storm couldn't be prevented, being a member of TCAP will allow you some payment options that others in the market will not have. *These options are confidential.* GEXA has offered our members the following three options for payment of the winter storm ancillary service charge invoice: 1) pay in one lump sum, 2) pay monthly through the end of the current contract that ends in 2022, or 3) if you have signed an SHP contract, pay monthly through the end of 2028. GEXA has advised they will be sending letters by next week regarding each member's individual winter storm ancillary service charges and payment options.

TCAP has always kept our members in mind through our favorable contract provisions that are not found elsewhere in the market. We have been providing comments to the PUC on needed market changes when possible and we continue to monitor the legislative, ERCOT, and PUC hearings regarding all winter storm issues.

I encourage you to review the attached frequently asked questions and be on the lookout for the letter coming from GEXA. As always, if you have additional question or would like TCAP to attend a meeting to answer questions, please contact me at 972-764-3136.

Sincerely,

Margaret Somereve
Executive Director



Frequently Asked Questions

Isn't my Energy Rate fixed?

Correct! TCAP always secures a fixed energy rate for its members. There may be variations in how this energy is procured to allow TCAP to take advantage of market opportunities and provide even lower prices to its members, but your energy rate will always be a fixed price known by members prior to their need to budget for these future expenditures.

The Ancillary Services costs being billed in this instance are ERCOT incurred costs related to maintaining the reliable operations of the electric grid in Texas. Historically, these costs are very small and reconciliation of these costs is typically handled by TCAP. In this instance, the extreme circumstances created by Winter Storm Uri caused these costs to increase by multiples to levels never experienced in our Texas energy market and it is unfortunately necessary to directly assign these costs to members.

What are Ancillary Services?

Ancillary Services are reliability products procured by ERCOT as grid operator to maintain the stability and reliability of the electric grid. They typically consist of payments to generators (and certain end users) to stand ready to provide additional generation or load relief needed to balance the electric grid during times of rapid changes. Without these reliability products, the system could suffer from inferior quality electricity (brown outs) that can damage motors and appliances and suffer more frequent black-outs including the possibility of collapsing the entire grid. Recovery from a massive grid collapse could take weeks to restore. ERCOT bills the cost of ancillary services to entities (like Retail Electric Providers) that serve end-use customers and are commonly passed on to the customer in various ways.

Why were ancillary services priced so high?

Typically, the costs of ancillary services is very small. There is often a large amount of excess unused generation capacity on the electric grid and the ancillary services market is a way to possibly capture some incremental revenue for this unused capacity. With a large amount of excess generation capacity bidding for a small amount of ancillary services, prices are typically very low.

During Winter Storm Uri in February the ERCOT electric grid lost about half of its total generation capacity. Without enough generation to meet end user demand, ERCOT was forced to call for outages. With little additional generation capacity in reserve, the price of these products rose to levels that had never been experienced in the ERCOT market.

In addition, it was discovered during these times that the market price cap that was meant to set an absolute ceiling price on energy did not extend to ancillary services and the price of these products rose to a level far in excess of the energy price ceiling. This subsequently resulted in the PUC's Independent Market Monitor recommending to the PUC and ERCOT that these prices be capped at the energy ceiling price during the event.

Why have they not been re-priced?

ERCOT and the PUC chose to ignore the recommendations of the Independent Market Monitor and refused to reprice these products. The Lieutenant Governor of Texas held a press conference urging the PUC and ERCOT to follow the recommendations of the PUC's Independent Market Monitor and the



Texas Senate passed a bill to force this repricing. Unfortunately, the Texas House refused to follow the Senate's lead and thus no legislative relief has yet been enacted.

Can they be hedged?

The Independent Market Monitor testified before the Texas House that these costs can be difficult if not impossible to hedge. Historically, TCAP has periodically investigated opportunities to hedge these costs, but has not been able to find an option that is both cost effective and provides adequate protection from potential future cost increases.

Additionally, it is very common for customer contracts to have provisions that allow for a seller to pass through any cost increases incurred due to changes in laws and regulations by both legislative and regulatory bodies. In this instance, even if the costs had been hedged (for instance, if they had been included within the fixed contract price), actions taken by the Public Utilities Commission during the winter event did change certain aspects of regulations and market protocols and as such, could open the door for these cost increases to be passed on to the buyer.

ERCOT operates as a revenue-neutral organization and costs it incurs to support the operations of the grid will be passed on to market participants. While there may ultimately be variations in how individual market participants will pay these costs, ultimately these costs will be recovered by ERCOT.

Why am I being billed for these charges?

Typically, TCAP maintains a reserve account to cover any cost variations incurred for ancillary services. If costs come in a bit higher than planned, TCAP uses the reserve account to cover these costs. If the costs come in a little lower than planned, TCAP retains the excess funds in the reserve account. When the reserve account reaches a level higher than both contractual requirement and normally deemed necessary to fund anticipated cost variations, TCAP will refund the excess amounts to members.

During the winter event, ancillary service prices increased to level over 500% greater than those experienced prior to the event. This tremendous cost increase is simply beyond the level TCAP can cover using the reserve account. Thus, these costs will need to be recovered from members directly.

How were these costs allocated to members?

Since almost all of these costs are associated with the extreme conditions incurred during Winter Storm Uri, and since many members had a number of facilities without power during this time, these costs were allocated to members based on their electric usage during the winter storm.

What are my payment options?

TCAP has worked with our REP and supplier to offer three options for repayment. These options are confidential. The base option is an installment payment plan for the remaining term of the current contract (December 2022). The second option is to pay in full now. This plan may be preferable for members that have excess or rainy day funds or feel they can finance repayment cheaper than the other options offered. The final option, which is available to the vast majority of TCAP members is to spread the payments over the term of both the current and future supply contract. This would extend payback to 2028 and drastically reduce the monthly payment amount.

Lawmakers propose electricity market bailout after winter storm

3

Erin Douglas

Texas Tribune

1

An approximately \$2.5 billion plan to bail out Texas' distressed electricity market from the financial crisis caused by Winter Storm Uri in February was approved by the Texas House Thursday.

The legislation would impose a fee — likely for the next decade or longer — on electricity companies, which would then get passed on to residential and business customers in their power bills. Lawmakers on Wednesday said they could not yet estimate how much it would impact Texans' electricity bills.

House lawmakers sent House Bill 4492 to the Senate on Thursday after a 129-15 vote. A similar bill is advancing in the Senate.

Some of the state's electricity providers and generators are financially underwater in the aftermath of the February power outages, which left millions without power and killed more than 100 people. Electricity companies had to buy whatever power was available at the maximum rate allowed by Texas regulations — \$9,000 per megawatt hour — during the week of the storm (the average price for power in 2020 was \$22 per megawatt hour). Natural gas fuel prices also spiked more than 700% during the storm.

Several companies are nearing default on their bills to the Electric Reliability Council of Texas, which manages the grid that covers most of the state and facilitates financial transactions in it.

Rural electric cooperatives were especially hard hit; Brazos Electric Power Cooperative, which supplies electricity to 1.5 million customers, filed for bankruptcy citing a \$1.8 billion debt to ERCOT.

State Rep. Chris Paddie, R-Marshall, the bill's author, said a second bailout bill will be necessary during the current legislative session for severely distressed electric cooperatives.

"This is a financial crisis, and it's a big one," James Schaefer, a senior managing director at Guggenheim Partners, an investment bank, told lawmakers at a House State Affairs Committee hearing in early April. He warned that more bankruptcies would cause higher

costs on to their customers and to prevent electricity investors and companies from leaving the state if it's viewed as too risky to continue doing business.

Becky Klein, an energy consultant in Austin and former chair of the Public Utility Commission who played a key role in de-regulating Texas' electricity market two decades ago, said during a retail electricity panel hosted by Integrate that legislation is necessary to provide "some kind of backstop during a crazy market crisis like this to show the financial market that we're willing to provide some relief."

Still, some lawmakers are concerned with how they will win public support for bills to bail out the state's electricity market.

"I have to go back to Laredo and say, 'I know you didn't have electricity for several days, but now I'm going to make you pay a little more for the next 20 years,'" state Rep. Richard Peña Raymond, DLaredo, said during an early April discussion on the plan in the House State Affairs Committee. He said he voted for the bill because it's in the best interest of the state.

Paddie, during the same committee hearing, acknowledged that "none of us want to increase fees or taxes." However, he said, "We have to deal with the reality set before us."

Mitchell Ferman contributed to this story.

This article originally appeared in The Texas Tribune at <https://www.texastribune.org/2021/05/06/texas-electric-bills-winter-storm-bailout/>.

The Texas Tribune is a member-supported, nonpartisan newsroom informing and engaging Texans on state politics and policy. Learn more at [texastribune.org](https://www.texastribune.org).

costs to customers and hurt the state's image in the eyes of investors.

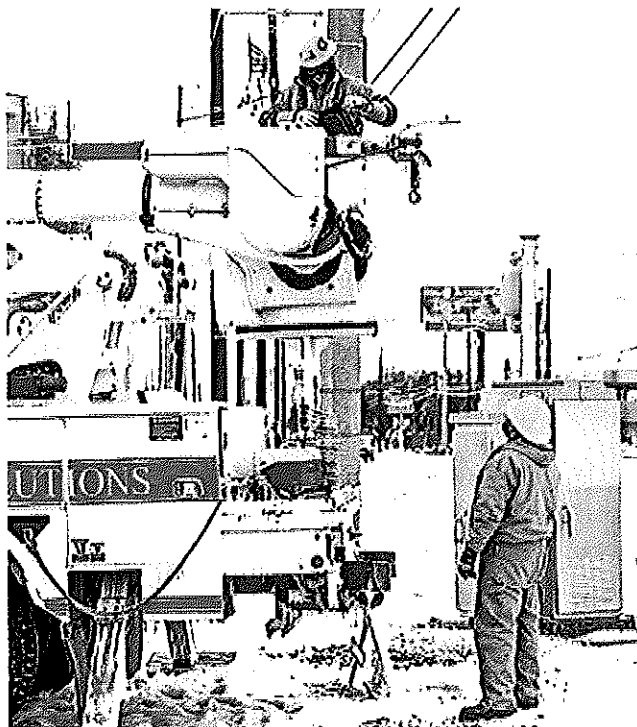
"You've got to free the system," Schaefer said. "It's horrible that a bunch of folks have to pay, but it's a systemwide failure. If you let a bunch of folks crash, it's not a good look for your state."

If approved by the Senate and Gov. Greg Abbott, a newly-created Texas Electric Securitization Corp. would use the money raised from the fees for bonds to help pay the companies' debts, including costs for ancillary services, a financial product that helps ensure power is continuously generated. The aid would only be allowed for the debt that would otherwise be defaulted.

Paddie told his colleagues Wednesday that he could not yet estimate how long the new fee would be imposed, but during committee hearings lawmakers estimated it's likely to be at least a decade. Several other bills to spread out the costs of the winter storm are also moving through the Legislature.

ERCOT's independent market monitor recommended in March that energy sold during that period be repriced at a lower rate, which would have allowed ERCOT to claw back about \$4.2 billion in payments to power generators, but the Public Utility Commission declined to do so.

Instead, lawmakers are pushing for bailouts that several energy experts have said is needed, both to ensure distressed companies don't pass enormous



Electrical workers repair a power line in Austin on Feb. 18. Some of the state's electricity providers are financially underwater in the aftermath of the February power outages. SERGIO FLORES FOR THE TEXAS TRIBUNE

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ATTACHMENT 14

Salvage Property/Surplus Property

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: Declaration of Salvage Property and Surplus Property Sale

Background:

In March of 2019, the Board authorized staff to conduct a Surplus Property Sale by declaring a list of items as surplus and authorizing the sale to the highest bidder. In addition, the Board agreed to declare any items that did not receive a bid as salvage property and instructed staff to dispose of those salvage items. In order to conduct the sale, the surplus list was advertised in the Corpus Christi Caller and the Kingsville Record – Bishop News at a cost of \$993.10. Enclosed is the list of the advertised items with the bid amounts. The total amount collected from the sale was \$2,172.13.

Analysis:

As you can see from the enclosed list, most of the items are office related equipment with the exception of the 2009 Ford truck. The three (3) printers are no longer working. The two (2) servers and five (5) desktop computers (with 7 monitors and keyboard) will need to have their hard drives wiped clean according to the recommendation of the cybersecurity class taken as part of HB 3834 requirements. In addition, there is a document scanner that is no longer working. Staff believes the camera equipment and the truck may be the only items that would receive any bids – although the camera equipment is quite old.

Staff Recommendation:

Declare the enclosed list of office equipment as salvage property and authorize staff to dispose of the items as necessary including following recommended cybersecurity measures. Authorize staff to advertise the truck as surplus property and award its sale to the highest bidder.

Board Action:

Determine whether to declare the enclosed list of office equipment as salvage property and authorize staff to dispose of the items as necessary including following recommended cybersecurity measures. Determine whether to authorize staff to advertise the truck as surplus property and award its sale to the highest bidder.

Summary:

As summarized two (2) years ago, the real benefit from disposal of this type of property is from the housekeeping perspective of eliminating clutter and freeing up space.

Salvage/Surplus Property Sale Items – 2021

- 1 One (1) HP M452dn Color Printer
- 2 One (1) HP Color LaserJet M553 Printer
- 3 One (1)Epson LX-350 Printer
- 4 Six (6) Desktop Computers
- 5 One (1) Network Server
- 6 Six (6) Computer Monitors
- 7 One (1) Epson GT-1500 scanner
- 8 One (1) APC Back-UPS 550
- 9 Camera System – One (1) DVR and Various Cameras
- 10 One (1) 2009 Ford F150 4x4

Surplus Property Sale Items - 2019

- 1 One (1) white 2011 Ford F250 Diesel Single Cab Pickup Truck
- 2 One (1) Case 760 Trencher
- 3 16 foot trailer
- 4 21 tires
- 5 GE Motors Air Compressor
- 6 Eight (8) Tool Boxes
- 7 One (1) 60 gallon Air Compressor
- 8 Two (2) Head Racks
- 9 One (1) Black Tool Box
- 10 Two (2) 2" Trash Pumps
- 11 One (1) Kawasaki 220 Bayou 4-Wheeler
- 12 One (1) 90-psi Ingersoll Rand Air Compressor
- 13 One (1) Echo Weedeater
- 14 Two (2) Dell Monitors
- 15 Two (2) Intel i3-3220 CPU 3.30GHz computers, 8.00 GB RAM, DVD
- 16 Fujitsu fi-5015C scanner

STWA Surplus Property Sale
April 25, 2019 10:00 a.m.

Name of Bidder	1	2	3	4	5	6a	6b	6c	6d	6e	6f	6g	6h	7	8a	8b	9
	2011 Ford Truck	Case Trencher	16-ft trailer	Tires	GE Compressor	Tool box	Tool box	Tool box	Tool box	Tool box	Tool box	Tool box	Tool box	60-gal compressor	Head rack	Head rack	Black Tool Box
Armando Yruegas			175.00											1.00	1.00	1.00	
Jo Ella Wagner			57.02														
Oscar Ortegon		150.00	150.00		30.00												
Robert Wagner						5.00	5.00		5.00	28.55	28.55		5.00				5.00
Frances De Leon																	
Victor Gutierrez								5.00									
Valentin Gonzales																	
Dony Cantu				50.00													
Roland Gonzalez	1,200.00																
High Bid	1,200.00	150.00	175.00	50.00	30.00	5.00	5.00	5.00	5.00	28.55	28.55	-	5.00	1.00	1.00	1.00	5.00

South Texas Water Authority Surplus Property Sale

April 25, 2019 10:00 a.m.

Name of Bidder	10a	10b	11	12	13	14a	14b	15a	15b	16					
	Trash Pump	Trash Pump	4-Wheeler	I/R Compressor	Echo Weedeater	Dell Monitor	Dell Monitor	Computer	Computer	Scanner					
Armando Yruegas															
Jo Ella Wagner								15.03							
Oscar Ortegon	25.00	20.00	250.00	101.00											
Robert Wagner			88.00	112.00											
Frances De Leon						5.00			30.00	15.00					
Victor Gutierrez															
Valentin Gonzales					5.00										
Dony Cantu															
High Bid	25.00	20.00	250.00	112.00	5.00	5.00	-	15.03	30.00	15.00	-	-	-	-	-

Total \$2,172.13

ATTACHMENT 15

Annexation Petition

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: May 20, 2021
Re: Annexation Petition – Set Time and Date for Public Hearing:
Resolution 21-12 – Bobbie Villarreal and Ray Villarreal – Tracts 40 and 41, Cyndie Park Unit II,
Nueces County, Texas

Background:

As the Board is aware, properties that are not within South Texas Water Authority's district boundaries but requesting retail water service from the NWSC are required to be annexed into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically a retail water bill from NWSC and property taxes to STWA. Ms. Bobbie Villarreal and Mr. Ray Villarreal contacted our office to request service in the Cyndie Park II subdivision and filed an annexation petition. Resolution 21-12 sets the date and time for the required public hearing. The public hearing will be scheduled immediately prior to the next regular STWA Board meeting.

Analysis:

Adoption of Resolution 21-12 begins the annexation process and enables the NWSC to provide retail service to Mr. and Mrs. Villarreal.

Staff Recommendation:

Adopt Resolution 21-12.

Board Action:

Determine whether to adopt Resolution 21-12.

Summarization:

The annexation process is established by State law and staff is following the required steps.

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 20th day of May, 2021.

Bobbie Villarreal
Bobbie Villarreal

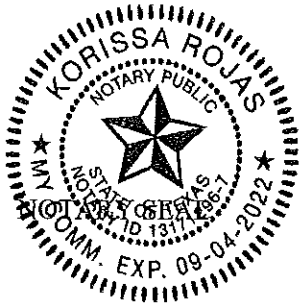
Ray Villarreal
Ray Villarreal

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Bobbie Villarreal on this the 20th day of May, 2021.



Korissa Rojas
Notary Public

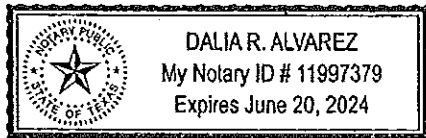
My Commission Expires: 09-04-2022

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

Subscribed and sworn to before me Ray Villarreal on this the 20th day of MAY, 2021.



Dalia R. Alvarez
Notary Public

My Commission Expires: June 20, 2024

NOTARY SEAL

Exhibit "A"

To

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

Property Description

A 1.280-acre tract being called Tract 40 and 41 "Cyndie Park Unit 2" an unrecorded subdivision, Nueces County, Texas, said 1.280-acre tract also being described in a deed recorded in Document No. 1996046433, Deed Records of Nueces County, Texas, said 1.280-acre tract being out of a 238.79-acre John S. McGregor and C. C. Speed Tract, as described in a deed recorded in Volume 1840, Page 1017, Deed Records Nueces County, Texas. Said 1.280-acre tract also being out of Block 25, "Mantor Brigg & Kuykendall Subdivision" as shown on a plat recorded in Volume 2, Page 57, Map Records Nueces County, Texas. Said 1.280-acre tract being more particularly described by metes and bounds in the General Warranty Deed recorded under Document No. 2020031094 of the Official Records of Nueces County, Texas.

ATTACHMENT 16

Resolution 21-12

SOUTH TEXAS WATER AUTHORITY

Resolution 21-12

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

WHEREAS, Bobbie Villarreal and Ray Villarreal (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 the 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 June 22, 2021 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 June 22, 2021 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 25th day of May, 2021.

BRANDON BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, 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 June 22, 2021 at 5:30 p.m. with respect to the Petition filed by Bobbie Villarreal and Ray Villarreal 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 25th day of May, 2021.

Brandon W. Barrera, 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:

A 1.280-acre tract being called Tract 40 and 41, "Cyndie Park Unit 2" an unrecorded subdivision, Nueces County, Texas, said 1.280-acre tract also being described in a deed recorded in Document No. 1996046433, Deed Records of Nueces County, Texas, said 1.280-acre tract being out of a 238.79-acre John S. McGregor and C. C. Speed Tract, as described in a deed recorded in Volume 1840, Page 1017, Deed Records Nueces County, Texas. Said 1.280-acre tract also being out Block 25, "Mantor Brigg & Kuykendall Subdivision" as shown on a plat recorded in Volume 2, Page 57, of the Map Records of Nueces County, Texas. Said 1.280-acre tract being more particularly described by metes and bounds in the General Warranty Deed recorded under Document No. 2020031094 of the Official Records of Nueces County, Texas.

FOR YOUR INFORMATION

Mr. Brocato's Direct Line: (512) 322-5857
Email: tbrocato@lglawfirm.com

MEMORANDUM

TO: Atmos Cities Steering Committee
Oncor Cities Steering Committee
Texas Coalition for Affordable Power

FROM: Thomas L. Brocato

DATE: May 1, 2021 *TLS*

RE: April Legislative Update

The purpose of this memorandum is to provide an update on legislative activities on behalf of the Steering Committee of Cities Served by Atmos (ACSC), the Steering Committee of Cities Served by Oncor (OCSC), and the Texas Coalition for Affordable Power (TCAP).

CONTINUING RESPONSE TO WINTER STORM URI

Only one month remains in the 87th Legislative Session, and several daunting tasks remain unfinished—including the passage of major energy reform legislation. The statewide outages related to Winter Storm Uri last February left more than 4 million Texans without power, and more than 200 Texans lost their lives. However, none of the most important bills filed in response to that crisis have made it to the governor's desk.

Moreover, some key questions remain unanswered. For example, does the fault for the outages fall primarily on electric generators, or does much of it lie with natural gas suppliers providing fuel for those generators? One predominant narrative at the Capitol has been that natural gas suppliers were unable to provide fuel to many electric generators during the outages because many gas suppliers, themselves, lost power during the outages. However, in late April executives of Vistra, the state's largest electric company, pushed back on that narrative and have called for corrective legislation.

Speaking during a call to analysts on April 26, Vistra executives said its gas suppliers began cutting deliveries days before the outages began. Vistra officials said the company would suffer more than \$1 billion in losses because the supply disruptions forced it to purchase natural gas in the spot market, where prices had spiked from around \$3 per MMBtu to around \$700 per MMBtu.

Vistra and other companies are advocating this session for legislation requiring natural gas producers and pipelines to weatherize, and for gas producers to register with electric utilities as "critical infrastructure," thereby exempting the gas suppliers from rotating outages during emergencies. "We simply cannot expect to run a grid where nearly 50 percent of the supply stock is composed of gas assets without confidence that the gas fuel supply will be available," Vistra CEO Curtis Morgan said on the April 26 call to analysts.

Earlier in April, the Electric Reliability Council of Texas (ERCOT) also released data to the Public Utility Commission of Texas (PUC) that broadly categorized reasons for the generation

failures. The information, however, failed to shed much light on the chicken-and-the-egg interplay between the natural gas failures and the electric generation losses. The data showed that more than half of the generation lost during the storm's worst moments occurred because power generators could not handle the cold weather, ten percent of the losses were due to fuel problems, and two percent were due to transmission and distribution problems.

PUC, ERCOT REPLACEMENTS SELECTED

In April, Governor Abbott named replacements for two of the outgoing Public Utility Commissioners. The new appointments are Will McAdams, who most recently served as president of the Associated Builders and Contractors, and Peter Lake, who previously served as the chair of the Texas Water Development Board and as an executive for the Lake Ronel Oil Company. Mr. Lake will assume the chairmanship of the PUC. All three previous commissioners—DeAnn Walker, Shelly Botkin and Arthur D'Andrea—resigned under political pressure following the Winter Storm Uri outages.

Separately, the ERCOT board of directors named Brad Jones, a former president of the New York System Operator, as ERCOT's new interim CEO and president. Jones replaces outgoing ERCOT CEO Bill Magness.

Mr. Jones is a long-time veteran in the field. In addition to his leadership position with the New York Independent System Operator, he served as ERCOT's vice president and chief operations officer between 2013 and 2015. Mr. Jones has also held executive positions at TXU Energy and Luminant, served as chair of the Edison Electric Institute's Executive Advisory Committee, and served as a board member of the Gulf Coast Power Association.

Outgoing director Magness received a 60-day termination notice in early March and will leave his post on May 3. Jones will then take over and serve as interim president until ERCOT fills the position permanently.

THE BUFFETT PLAN

Texas lawmakers in April began consideration of legislation promoted by Berkshire Hathaway Energy—that is, billionaire investor Warren Buffett's company—to build ten new natural gas plants for reliability purposes. Berkshire Hathaway executives first floated their multibillion-dollar plan during private meetings with lawmakers in March, promoting it as an outside-the-box response to the February electricity crisis. The company hired eight lobbyists at a cost of more than \$300,000 to push the proposal, and met privately with key legislative leaders, including Lt. Gov. Dan Patrick and House Speaker Dade Phelan, according to reports.

In mid-April, State Rep. Eddie Lucio III added the Berkshire Hathaway proposal to his previously filed House Bill 3749, and the House Committee on State Affairs took up the revised bill during a public hearing on April 20. Under the revised version of HB 3749, a new entity known as the "Texas Emergency Power Reserve" would build and maintain ten gas-fired plants at a cost of \$8 billion. The ERCOT system operators would control the plants and order them online only during severe energy shortage conditions or during periodic test runs. Otherwise, the plants would remain idle.

According to Berkshire Hathaway, residential customers would pay a monthly charge for the reserve plants estimated as \$1.42, commercial customers would pay an estimated \$9.61 per month, and industrial customers would pay an estimated \$58.94 per month. The company also has presented to lawmakers results of an opinion poll suggesting that Texans would support a slight increase in their utility bills if it meant improved reliability.

Under Rep. Lucio's HB 3749, the plants must become operational by November 1, 2023, or the company constructing them would forfeit \$1 billion annually. Rep. Lucio's bill calls for testing the plants for 14 days each year, with the planning period coordinated in such a way as to minimize price impacts in the wholesale energy market. Although HB 3749 has not yet received a vote in committee, Rep. Lucio said he did not file it just for discussion purposes, but rather meant to get HB 3749 to the House floor if possible.

While testifying during the April 20 hearing, Berkshire Hathaway Infrastructure Group CEO Chris Brown insisted their plan would not affect wholesale pricing. According to Brown, ERCOT would only activate the reserve units when it had exhausted all other sources of energy and when shortage prices already were in effect. He said that bidding would be open to any company that could meet the requirements to build and operate the plants.

However, response to the plan from other quarters was largely negative. For instance, Julia Harvey, director of Texas Electric Cooperatives, said during the committee hearing that whichever company that won the contract to build the plants would enjoy the benefits of a competitive market while avoiding risk exposure as an essentially regulated utility. She said she could not see how an entity funded by consumers and enjoying the benefits of a regulated market could co-exist within the ERCOT competitive wholesale market without doing damage to that market and its participants.

Similarly, Tom Oney, General Counsel of the LCRA, noted that the Berkshire Hathaway plan promised an over nine percent return on investment, and that no other generator operating within ERCOT could count on such treatment. Katie Coleman, a representative for the Texas Association of Manufacturers, said that industrial customers would face substantially higher costs under the plan, and that it would lead to a "death spiral" for the deregulated market.

A SIMILAR PROPOSAL

A few days after the State Affairs Committee hearing, the Starwood Energy Group, an investment group, floated a competing proposal to spend \$8 billion to build 11 natural-gas-fired power plants. Similar to the Berkshire Hathaway plan, Starwood's proposal included a provision that revenues generated in excess of the fuel and operating costs would go back to ERCOT for distribution to customers. ERCOT would have full rights to dispatch the facilities as necessary.

It appears, however, that neither proposal as yet enjoys much political traction in the Legislature.

THE REPRICING ISSUE: NO PROGRESS

In early March, the Independent Market Monitor for the ERCOT market called upon the PUC to reprice some of the administratively-set wholesale energy prices paid by market

participants during the February outages. However, then-PUC Chairman D'Andrea refused to order the repricing, testifying before lawmakers that such repricing would be illegal and would likely harm various entities that had done a good job hedging during the winter event.

In response, the Senate quickly adopted Senate Bill 2142, which would mandate repricing. Since then, however, the bill has failed to make any progress. The House State Affairs Committee has considered the repricing issue but taken no action. Notably, House Speaker Dade Phelan has stated that there was "no error" in ERCOT's pricing decision and that to order repricing would represent "an extraordinary government intervention into the free market."

UPDATE ON LEGISLATION

Below is a summary of several bills on our watch list and recent legislative activity related to them. We have categorized them by topic.

All-Encompassing Bills

- **SB 3**, Sen. Charles Schwertner: Relating to preparing for, preventing, and responding to weather emergencies, power outages, and other disasters; increasing the amount of administrative and civil penalties. The full Senate approved a committee substitute for SB 3 on March 29, and it now remains pending before the House Committee on State Affairs.

Winterization Bills

- **HB 11**, Rep. Chris Paddie: Requires the weatherization of electric transmission and generation facilities. HB 11 likewise requires utilities to reconnect service as soon as possible and prevents slower reconnections for low-income areas, rural Texas, and small communities. The Texas House approved it on March 31, and it now remains pending before the Senate Committee on Jurisprudence.
- **HB 14**, Rep. Craig Goldman: Requires the Railroad Commission (RRC) to adopt rules requiring gas pipeline operators to implement measures that ensure service quality and reliability during an extreme weather emergency. The Texas House passed out a committee substitute for HB 14 on April 20.

Communication Bills

- **HB 12**, Rep. Richard Raymond: Creates a statewide disaster alert system administered by Texas Division of Emergency Management (TDEM) to alert Texans about impending disasters and extreme weather events. This system builds off the model used in Amber, Silver, and Blue Alert systems. The Texas House adopted HB 12 on March 31, and it now remains pending before the Senate Committee on Jurisprudence.
- **HB 13**, Rep. Paddie: Establishes a council composed of ERCOT, PUC, RRC, and TDEM leaders to coordinate during a disaster. The committee will identify challenges with fuel supplies, repairs, and energy operations, and will prevent service interruptions from the

wellhead to the consumer. The Texas House approved a committee substitute on March 31, and it now remains pending in the Senate Committee on Jurisprudence.

- **SB 865**, Sen. Brandon Creighton: Relating to a study on a statewide disaster alert system and implementation of that system. The Texas Senate adopted SB 865 on April 19, and it now remains pending before the House Committee on Homeland Security and Public Safety.

Securitization Bills

- **SB 1579** and **SB 1580**, Sen. Kelly Hancock; and **HB 1520**, Rep. Paddie: These bills authorize the issuance of “customer rate relief bonds” to recover extraordinary costs and expenses created by Winter Storm Uri. Notably, these bills go beyond the recent ice storm and address hurricanes, floods, and even manmade disasters. SB 1579 has not proceeded beyond the Senate Committee on Natural Resources and Economic Development. The Senate has approved SB 1580, and it now awaits consideration in the House. The full House has approved HB 1520, and it now goes to the Senate.
- **HB 4492**, Rep. Paddie: Amends Utilities Code to allow for securitization of extraordinary costs that electric utilities incurred to secure electric supply during natural and manmade disasters, system failures, and other catastrophic events. It sets forth true-up and financing rules. The House State Affairs Committee adopted HB 4492 on April 14. Similar bills include **HB SB 1757**, by Sen. Hancock, which has received approval in the Senate Business and Commerce Committee but not progressed further; and **SB 2227**, by Sen. Bryan Hughes, which awaits consideration in Senate Business and Commerce. Sen. Hughes filed SB 2227 in late April, well past the regular bill filing deadline.
- **HB 3544**, Rep. Justin Holland: Relating to the restructuring of certain electric utility providers. Amends Utilities Code to allow electric cooperatives to use securitization financing. The House Committee on State Affairs approved HB 3544 on April 22.

Energy Storage Bills

Some bills would facilitate battery storage by transmission and distribution utilities for reliability purposes. One such bill, **SB 415** by Sen. Hancock, has made it all the way through the Senate and was approved in the House Committee on State Affairs. Another is **HB 1672** by Rep. Holland, which would permit transmission and distribution utilities (TDU) like Oncor or CenterPoint to employ energy storage for reliability purposes. The House State Affairs adopted a committee substitute of HB 1672 on March 25.

ERCOT and PUC Governance Bills

- **HB 10**, Rep. Paddie: Restructures the ERCOT board, replacing the unaffiliated members with members appointed by the Governor, Lt. Governor, and Speaker of the House. HB 10 also requires all board members to reside in the state of Texas and creates an additional ERCOT board member slot to represent consumer interests. The Texas House adopted a

committee substitute of HB 10 on March 31, and it now goes before the Senate Committee on Senate Jurisprudence.

- **HB 2586**, Rep. Shawn Thierry: Relating to an annual audit of the independent organization certified for the ERCOT power region. This bill requires a regular audit of ERCOT by the PUC. Currently, the PUC has discretion as to when and whether to audit ERCOT. The Texas House adopted HB 2586 on April 9, and it now goes before the Senate Committee on Jurisprudence.
- **SB 2154**, Sen. Schwertner: Relating to membership of the PUC. The Texas Senate adopted SB 2154 on March 25, and it now goes before the House State Affairs committee.
- **SB 2**, Sen. Hancock: Relating to independent organizations certified to manage power regions. SB 2 gives the governor new authority to select ERCOT board members and requires those in key leadership positions at ERCOT to be Texas residents. The Senate Business and Commerce Committee adopted SB 2 on April 7, and it was approved on the Senate floor on April 14. It's now under consideration by the House State Affairs committee.

Consumer Protection Bills

- **HB 16**, Rep. Ana Hernandez: Would prevent retail electric providers from offering wholesale index plans to consumers after reports that some consumers faced bills for thousands of dollars because they were on indexed price contracts during the winter storm. HB 16 bans variable rate products like Griddy for residential customers. The Texas House adopted HB 16 on March 30; the Senate Business and Commerce Committee adopted it on April 22.

Other Bills

- Berkshire Hathaway Energy's (BHE) \$8 billion proposal to build ten new natural gas plants that would sit idle during normal times but fire up during emergencies—adding a new charge to consumers' electric bills to pay for it—has made its way into **HB 3749** by Rep. Lucio. The bill remains pending in the House State Affairs committee.
- **HB 17**, Rep. Joe Deshotel: This bill stipulates that no political subdivision may adopt any measure to directly or indirectly limit or prohibit utility service based on the type or source of energy to be delivered to the end-use customer. Representatives of the gas utility industry are pushing this bill, while a number of environmental groups have expressed their opposition. The legislation has passed out of the full House and the Senate Committee on Business and Commerce.
- **SB 1278**, Sen. Hancock: Relating to the responsibility for ancillary services costs incurred for the operation of intermittent wind and solar resources. The legislation has received Senate approval and now goes to the House Committee on State Affairs.

- **SB 1282**, Sen. Hancock: Relating to cost recovery for costs arising from the interconnection of certain electric generation facilities with the ERCOT transmission system. The full Senate has adopted this bill, and it now goes before the House Committee on State Affairs.
- **SB 398**, Sen. Jose Menendez: Relating to distributed renewable generation resources. The Texas Senate has adopted SB 398, and it remains pending in the House Committee on State Affairs.
- **HB 3648**, Rep. Charlie Geren: Relating to the eligibility and designation of certain gas entities and gas facilities as critical during an emergency. His legislation has passed out of the House.
- **HB 2483**, Rep. Phil King: Would allow TDUs to lease or own generators for emergency reliability purposes. This legislation had been adopted in the House.