

MEMORANDUM

TO: South Texas Water Authority Board of Directors  
FROM: Kathleen Lowman, President  
DATE: May 18, 2020  
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

A public hearing of the STWA Board of Directors is scheduled for:

**Tuesday, May 26, 2020**

5:30 p.m.

South Texas Water Authority  
2302 East Sage Road  
Kingsville, Texas

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

**PLEASE NOTE:** THIS MEETING WILL BE HELD BY REMOTE ACCESS ONLY IN ACCORDANCE WITH THE MARCH 16, 2020 ORDER BY GOVERNOR ABBOTT TEMPORARILY SUSPENDING CERTAIN REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT TO ADVANCE THE GOAL OF LIMITING FACE-TO-FACE MEETINGS TO SLOW THE SPREAD OF COVID-19. NO PERSONS WILL BE AT THE MEETING LOCATION AND NO EQUIPMENT WILL BE AT THE MEETING FOR ACCESS TO THE MEETING. HOWEVER, MEMBERS OF THE PUBLIC MAY ACCESS THIS MEETING BY TELEPHONE AND PARTICIPATE IN THE MEETING BY CALLING ONE OF THE FOLLOWING TOLL-FREE NUMBERS AND ENTERING THE MEETING ID AND PASSWORD BELOW:

**(888) 475-4499 OR (877) 853-5257**  
**MEETING ID: 878 1008 5927**  
**PASSWORD: 403432**

PLEASE SEE THE AUTHORITY'S WEBSITE AT [WWW.STWA.ORG](http://WWW.STWA.ORG) FOR THE MEETING PACKET.

Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
  - a. Jose A. Garcia and Mary L. Garcia – Lot 7, Block G of The Ranch Subdivision in Nueces County, Texas

b. John Hernandez – Tract Twenty-One-H (21-H), The Ranch Subdivision in Nueces County, Texas

3. Public Comment

4. Adjournment.

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

KL/CGS/fdl

This meeting notice was posted on  
STWA's website, [www.stwa.org](http://www.stwa.org), and on  
indoor and outdoor bulletin boards at  
STWA's administrative offices,  
2302 East Sage Road, Kingsville, Texas at  
12:00 and on May 22, 2020  
*James De Leon*  
Assistant Secretary

MEMORANDUM

TO: South Texas Water Authority Board of Directors  
FROM: Kathleen Lowman, President  
DATE: May 18, 2020  
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 26, 2020**

5:35 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:

**PLEASE NOTE:** THIS MEETING WILL BE HELD BY REMOTE ACCESS ONLY IN ACCORDANCE WITH THE MARCH 16, 2020 ORDER BY GOVERNOR ABBOTT TEMPORARILY SUSPENDING CERTAIN REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT TO ADVANCE THE GOAL OF LIMITING FACE-TO-FACE MEETINGS TO SLOW THE SPREAD OF COVID-19. NO PERSONS WILL BE AT THE MEETING LOCATION AND NO EQUIPMENT WILL BE AT THE MEETING FOR ACCESS TO THE MEETING. HOWEVER, MEMBERS OF THE PUBLIC MAY ACCESS THIS MEETING BY TELEPHONE AND PARTICIPATE IN THE MEETING BY CALLING ONE OF THE FOLLOWING TOLL-FREE NUMBERS AND ENTERING THE MEETING ID AND PASSWORD BELOW:

**(888) 475-4499 OR (877) 853-5257**  
**MEETING ID: 878 1008 5927**  
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PLEASE SEE THE AUTHORITY'S WEBSITE AT [WWW.STWA.ORG](http://WWW.STWA.ORG) FOR THE MEETING PACKET.

Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.

3. Approval of Minutes. (Attachment 1)
4. Treasurer's Report/Payment of Bills. (Attachment 2)
5. **Resolution 20-16.** Resolution appointing Carola G. Serrato, Executive Director, to serve as Chief Tax Assessor for the South Texas Water Authority. (Attachment 3)
6. **Resolution 20-17.** Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County. (Attachment 3)
7. **Resolution 20-18.** Resolution appointing Melissa T. De La Garza, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County. (Attachment 3)
8. **Resolution 20-19.** 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)
9. Preliminary Nueces and Kleberg County Appraisal District Values. (Attachment 4)
10. Permanent Easement with City of Bishop for Pump Station Facilities. (Attachment 5)
11. Declaration of 42" waterline extending from O.N. Stevens Water Treatment Plant to CR 52 as Surplus Property.
12. Purchase Agreement Water Pipeline and Easements South Texas Water Authority: Seller - STWA, Buyer – City of Corpus Christi. (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. Purchase of existing pumps at the Banquete Pump Station from Nueces Water Supply Corporation. (Attachment 8)
15. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities. (Attachment 9)
16. Operations and Maintenance Contract – City of Driscoll. (Attachment 10)
17. Chloramine Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline. (Attachment 11)
18. NewGen Strategies and Solutions Consultant Services and Agreement to Review Corpus Christi Rate and Model Review. (Attachment 12)

19. TCAP Strategic Hedging Program. (Attachment 13)
  - Professional Services Agreement – TCAP
  - Commercial Electric Service Agreement – GEXA Energy
20. **Resolution 20-07.** Resolution adopting TCAP’s Professional Services Agreement and GEXA Energy’s Commercial Electric Service Agreement for power to be provided on and after January 1, 2023. (Attachment 14)
21. Approval of Annexation of Certain Lands to the South Texas Water Authority. (Attachment 15)
  - a. Jose A. Garcia and Mary L. Garcia – Lot 7, Block G of The Ranch Subdivision in Nueces County, Texas
  - b. John Hernandez – Tract Twenty-One-H (21-H), The Ranch Subdivision in Nueces County, Texas
22. **Resolution 20-20.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Jose A. Garcia and Mary L. Garcia – Lot 7, Block G of The Ranch Subdivision in Nueces County, Texas). (Attachment 16)
23. **Resolution 20-21.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (John Hernandez – Tract Twenty-One-H (21-H), The Ranch Subdivision in Nueces County, Texas). (Attachment 17)
24. Coronavirus Aid, Relief, and Economic Security (CARES) Act Provisions for Loans from Defined Contribution Plans. (Attachment 18)
25. Adjournment.

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

KL/CGS/fdl  
Attachment

This meeting notice was posted on STWA's website, [www.stwa.org](http://www.stwa.org), and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 1200 am on May 22, 2020  
*Francis DeLeon*  
Assistant Secretary

ATTACHMENT 1  
Approval of Minutes

SOUTH TEXAS WATER AUTHORITY  
Public Hearing Minutes  
April 28, 2020  
(This meeting was held remotely by phone and Zoom.)

Board Members Present:

Kathleen Lowman  
Brandon Barrera  
Rudy Galvan, Jr.  
Jose Graveley  
Lupita Perez  
Patsy Rodgers  
Filiberto Treviño

Board Members Absent:

None

Staff Present:

Carola G. Serrato  
Frances De Leon  
Jo Ella Wagner  
Armando Yruegas

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Public Hearing of the STWA Board of Directors to order at 5:37 p.m.

2. Petition for Addition of Certain Lands to the South Texas Water Authority.

- a. Santos Ramirez, Jr. – Cyndie Park Unit 1, Lot 11 and 12, aka 4590 Cyndie Ln., Robstown in Nueces County, Texas

Ms. Serrato stated that the property owner approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of the project extending water service to the Cyndie Park area. The resolution approving annexation will be presented at the Regular Board Meeting. Approval of the annexation petition enables the landowner to receive service and pay in-district rates to the Nueces Water Supply Corporation, and allows the property to become taxable.

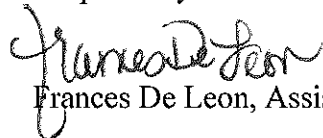
3. Public Comment.

Ms. Lowman called for public comment. No comments from the public were made.

4. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the Public Hearing at 5:38 p.m.

Respectfully submitted,



Frances De Leon, Assistant Secretary

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
April 28, 2020  
Minutes

(This meeting was held remotely by phone and Zoom.)

Board Members Present:

Kathleen Lowman  
Brandon Barrera  
Rudy Galvan, Jr.  
Jose Graveley  
Lupita Perez  
Patsy Rodgers  
Filiberto Treviño

Board Members Absent:

None

Staff Present:

Carola G. Serrato  
Frances De Leon  
Jo Ella Wagner  
Armando Yruegas

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:38 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Mr. Galvan made a motion to approve the minutes of the March 24, 2020 Regular Meeting as presented. Ms. Rodgers 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, 2020  
Treasurer's Report for period ending March 31, 2020  
Revenue Fund Income Statement for period ending March 31, 2020  
Tax Fund Income Statement for period ending March 31, 2020  
Special Services Income Statement for period ending March 31, 2020  
STWA Revenue Fund Balance Sheet – March 31, 2020  
STWA Revenue Fund GL Account Summary Report as of March 31, 2020  
STWA Debt Service Fund Income Statement for period ending March 31, 2020



STWA Debt Service Fund Balance Sheet – March 31, 2020  
STWA Debt Service Fund GL Account Summary Report as of March 31, 2020  
STWA Capital Projects Fund Income Statement for period ending March 31, 2020  
STWA Capital Projects Fund Balance Sheet – March 31, 2020  
STWA Capital Projects Fund GL Account Summary Report as of March 31, 2020  
FY 2020 Cathodic Protection Expenses Breakdown through March, 2020  
2012 Bond Election Report  
Anticipated vs. Actual Water Rate Charged  
Maintenance & Technical Report from O&M Supervisor  
CP Update from CP Technician

The following outstanding invoices were presented for Board approval:

• Willatt & Flickinger	\$ 4,619.00
• City of Corpus Christi	\$ 94,996.27
• Kevin Kieschnick-Nueces Tax Assessor	\$ 380.96

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

5. Fiscal Year 2020 Budget Amendments.

Ms. Serrato reviewed the proposed amendments to the FY 2020 Budget. She stated that Total Revenues decreased by \$17,200 based on anticipated lower Interest Earning. Total Administrative/Operations Expenditures without Capital Outlay increased by \$50,212. Capital Outlay increased by \$37,600. Other Finance Sources decreased by \$10,900 and Deficiencies of Revenues over Expenditures decreased by \$116,002 for a Net Income of \$212,961 compared to the original budget's ending balance of \$328,963. Mr. Galvan made a motion to approve the FY 2020 Budget Amendments. Mr. Graveley seconded. The motion carried.

6. Permanent Easement with City of Bishop for Pump Station Facilities.

Ms. Serrato stated that the permanent easement for the Bishop Pump Station facilities is on the City's April 29<sup>th</sup> agenda. She plans to attend the meeting remotely and will keep the Board updated.

7. Relocation of meter at O.N. Stevens Plant.

Ms. Serrato stated that she has contacted legal counsel Bill Flickinger about a response to the City of Corpus Christi's request for relocation of the master meter from the O. N. Stevens Water Treatment Plant to US 77 and CR 52. Due to shelter in place restrictions, Mr. Flickinger has not been able to work on changes to the City's offered agreement but has indicated that he hopes to be more accessible soon and will resume work on a response.

8. 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.

Ms. Serrato stated that the project is awaiting final approval from the Texas Water Development Board. Construction on the new Banquete Pump Station should begin once TWDB approval is received. She had nothing further to report.

9. Purchase of existing pumps at the Banquete Pump Station from Nueces Water Supply Corporation.

Ms. Serrato stated that at Nueces Water Supply Corporation's April 14, 2020 meeting, the NWSC Board decided not to charge STWA to transfer ownership of the pumps and associated controls. She requested Board authorization to work with Mr. Flickinger on a conveyance agreement for the transfer. Ms. Rodgers made a motion to authorize Ms. Serrato to work with legal counsel to draft a Conveyance Agreement between NWSC and STWA to transfer ownership of the pumps and associated controls to STWA contingent on construction of the new pump station. Mr. Galvan seconded and the motion passed by unanimous vote.

10. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities.

Ms. Serrato stated that the NCWC&ID #5 Board is scheduled to meet on May 13<sup>th</sup> and she will update the STWA Board on any developments.

11. Water Supply Contract with the City of Driscoll.

Ms. Serrato reported that the City of Driscoll has approved and executed the Wholesale Water Supply Contract. She added that this is the final report on this item.

12. Operations and Maintenance Contract – City of Driscoll.

Ms. Serrato stated that she has received no additional information from the Driscoll City Council but will follow up with the City.

13. Chloramine Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline.

Ms. Serrato reported that O&M Supervisor Armando Yruegas spoke with Sherrel Mercer of Mercer Controls who indicated that he would be visiting with him this week and that the materials for the project have been ordered. She had nothing else to report.

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

Mr. Galvan stated that he prefers to discuss this item during an in-person meeting. Several other Board members agreed and voiced support for this type of benefit. Mr. Galvan made a motion to

table the item contingent on discussing it further at a future face-to-face meeting. Mr. Graveley seconded. The motion passed unanimously.

15. Resolution 20-10. Resolution adopting the revised South Texas Water Authority Personnel Policies – Retiree Benefits.

No action was taken by the Board.

16. TCAP Strategic Hedging Program.
- Professional Services Agreement – TCAP
  - Commercial Electric Service Agreement – GEXA Energy

Ms. Serrato stated that City of Kingsville staff has recommended that the City approve participation in the TCAP Strategic Hedging Program. However, Ms. Serrato recommends tabling this item due to the uncertainty of the COVID-19 pandemic's impact on oil pricing.

17. Resolution 20-07. Resolution adopting TCAP's Professional Services Agreement and GEXA Energy's Commercial Electric Service Agreement for power to be provided on and after January 1, 2023.

Mr. Galvan made a motion to table Resolution 20-07. Ms. Rodgers seconded. All voted in favor.

18. Corrpro Close Interval Potential Survey on Contract 1.

Ms. Serrato presented the final Close Interval Structure-To-Electrolyte Potential Surveys Report on Contract 1 from Aegion/Corrpro along with their quote in the amount of \$15,175 for services to examine certain areas of the pipeline for which they recommend further testing. Mr. Galvan made a motion to hire Corrpro for the additional services. Mr. Treviño seconded. The motion passed unanimously.

19. Approval of Annexation of Certain Lands to the South Texas Water Authority.
- a. Santos Ramirez, Jr. – Cyndie Park Unit 1, Lot 11 and 12, aka 4590 Cyndie Ln., Robstown in Nueces County, Texas

Ms. Serrato stated that approval of Resolution 20-13 finalizes the annexation process of this property and she recommended adoption of the resolution.

20. Resolution 20-13. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Santos Ramirez, Jr. – Cyndie Park Unit 1, Lot 11 and 12, aka 4590 Cyndie Ln., Robstown in Nueces County, Texas)

Mr. Galvan made a motion to adopt Resolution 20-13. The motion was seconded by Ms. Perez and passed unanimously.

21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place.
  - a. Jose A. Garcia and Mary L. Garcia – Lot 7, Block G of The Ranch Subdivision in Nueces County, Texas
  - b. John Hernandez – Tract Twenty-One-H (21-H), The Ranch Subdivision in Nueces County, Texas

The Board reviewed the Annexation Petitions. The owners of the properties recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of the project extending water service to the Cyndie Park area. Requesting annexation is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolutions 20-14 and 20-15 setting the Public Hearing on May 26, 2020 at 5:30 p.m. at the STWA conference room.


22. Resolution 20-14. 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. (Jose A. Garcia and Mary L. Garcia)
23. Resolution 20-15. 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. (John Hernandez)

Mr. Galvan made a motion to adopt Resolutions 20-14 and 20-15 setting the Public Hearings on May 26, 2020 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notices. The motion was seconded by Mr. Treviño and passed unanimously.

24. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 6:25 p.m. Mr. Graveley seconded. All voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

**SOUTH TEXAS WATER AUTHORITY**  
**Treasurer's Report**  
**For Period Ending April 30, 2020**

**STWA Water Sales:**

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.513452 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	10,463	\$26,298.25	\$4,461.28	\$0.00	\$0.00	\$30,759.52
Bishop	1,122	\$2,820.09	\$478.41	\$0.00	\$0.00	\$3,298.50
Agua Dulce	2,075	\$5,215.61	\$884.79	\$0.00	\$0.00	\$6,100.40
RWSC	10,318	\$25,933.80	\$4,399.45	\$0.00	\$0.00	\$30,333.25
Driscoll	3,964	\$9,963.32	\$1,690.19	\$0.00	\$0.00	\$11,653.52
NCWCID #5	1,619	\$4,070.18	\$690.47	\$690.47	\$805.00	\$6,256.13
NWSC	16,834	\$42,311.78	\$7,177.84	\$0.00	\$0.00	\$49,489.62
<b>TOTAL</b>	<b>46,396</b>	<b>\$116,613.04</b>	<b>\$19,782.42</b>	<b>\$690.47</b>	<b>\$805.00</b>	<b>\$137,890.93</b>

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

	<b>03/31/20</b>	<b>to</b>	<b>04/30/20</b>
City of Corpus Christi Invoice for Cost of Water Purchased:			\$111,220.27
Gallons of Water Recorded by City of Corpus Christi:			44,250,000
Gallons of Water Recorded by STWA from Customer's Master Meters:			46,395,570
Water Loss Percentage:			-4.85%

**Annual Usage for FY 2020**

	<b>Annual</b>
Gallons of Water Recorded by City of Corpus Christi:	289,950,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	302,555,990
Water Loss Percentage: (year to date)	-4.35%

**REVENUE FUND  
INCOME STATEMENT  
FOR PERIOD ENDING APRIL 30, 2020**

**58.06%**

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
<b>REVENUES</b>						
Water Service Revenue	116,613	766,944	1,336,941	57%	703,622	1,366,000
Handling Charge Revenue	19,782	129,006	226,930	57%	120,660	231,255
Premium Incremental Increase	690	19,237	20,000	96%	19,754	38,600
Surcharge - Out of District	649	4,542	7,787	58%	4,258	7,299
Interest Income	1,329	23,148	34,800	67%	34,140	59,750
Other Revenue						
Operating & Maintenance Fees	0	0	0	0%	0	0
Miscellaneous Revenues	5,692	20,348	20,000	102%	7,199	21,000
<b>TOTAL REVENUES</b>	<b>144,755</b>	<b>963,225</b>	<b>1,646,458</b>	<b>59%</b>	<b>889,633</b>	<b>1,723,904</b>
<b>EXPENDITURES</b>						
<b>Water Service Expenditures:</b>						
Bulk Water Purchases	111,220	735,069	1,336,941	55%	646,870	1,366,000
<b>Payroll Costs</b>						
Salaries & Wages - Perm. Employees	30,973	206,994	338,850	61%	176,725	328,813
Salaries & Wages - Part-Time	132	586	1,429	41%	744	1,607
Overtime - NWSC	0	0	0	0%	(1)	0
Stand-by Pay - NWSC	0	0	0	0%	0	0
Overtime - RWSC	0	0	0	0%	1	0
Stand-by Pay - RWSC	0	0	0	0%	0	0
Overtime - STWA	1,434	12,678	24,000	53%	10,839	23,000
Stand-by Pay - STWA	100	750	1,300	58%	750	1,354
Employee Retirement Premiums	4,361	31,741	51,677	61%	31,136	60,249
Group Insurance Premium	10,108	116,400	184,666	63%	95,008	159,188
Unemployment Compensation	(471)	1,340	1,176	114%	24	105
Workers' Compensation	(642)	10,278	6,250	164%	5,515	2,840
Car Allowance	500	3,500	6,000	58%	3,500	6,000
Hospital Insurance Tax	318	2,419	3,962	61%	2,005	4,533
<b>Supplies &amp; Materials</b>						
Repairs & Maintenance	2,555	62,906	100,000	63%	49,979	90,000
Meter Expense	4,755	7,255	7,350	99%	2,350	2,350
Tank Repairs	0	45,000	45,000	0%	0	0
Major Repairs	0	0	25,000	0%	0	25,000
<b>Other Operating Expenditures:</b>						
<b>Professional Fees</b>						
Legal	322	25,696	45,000	57%	9,735	20,000
Auditing	0	9,454	9,750	97%	9,503	9,750
Engineering	6,496	6,496	15,175	43%	2,368	2,500
Management & Consulting	2,500	2,500	7,500	33%	3,585	7,500
Inspection	0	1,900	3,000	63%	1,900	2,500
Leak Detection	0	0	0	0%	0	0
Banquete Overhead Tank Demolition	0	0	35,000	0%	0	0
<b>Consum Supplies/Materials</b>						
Postage	908	2,701	7,500	36%	3,014	6,000
Printing/Office Supplies	1,663	13,199	30,000	44%	11,797	22,000
Janitorial/Site Maintenance	400	3,027	6,000	50%	2,125	6,000
Fuel/Lubricants/Repairs	3,196	24,513	32,500	75%	26,520	46,000
Chemicals/Water Samples	5,449	21,488	52,500	41%	24,746	48,500
Safety Equipment	0	0	1,500	0%	1,512	2,500
Small Tools	99	807	2,000	40%	1,343	2,500

58.06%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
<b>Recurring Operating Costs</b>						
Telephone/Communications	1,643	8,406	14,000	60%	12,048	24,000
Utilities	8,983	48,873	110,000	44%	45,132	94,000
D & O Liability Insurance	900	2,759	3,500	79%	1,281	3,500
Property Insurance	0	43,973	47,300	93%	47,292	47,292
General Liability	0	1,830	3,200	57%	3,196	3,200
Auto Insurance	0	2,443	2,450	100%	2,219	2,225
Travel/Training/Meetings	370	3,307	10,000	33%	3,902	7,000
Rental-Equipment/Uniforms	922	2,187	5,000	44%	2,518	5,000
Dues/Subscriptions/Publication	325	5,078	15,000	34%	11,743	20,000
Pass Through Cost	0	0	400	0%	1	50
Educational Materials	0	0	0	0%	0	0
<b>Miscellaneous</b>						
Miscellaneous Expenditures	1,129	4,789	7,500	64%	3,795	8,500
<b>Total Administrative &amp; Operations Exp.</b>	<b>200,647</b>	<b>1,472,340</b>	<b>2,599,376</b>	<b>57%</b>	<b>1,256,720</b>	<b>2,461,556</b>
<b>Capital Outlay</b>						
Capital Acquisition	(3,158)	91,226	254,340	36%	202,415	278,444
Engineering	0	7,750	8,610	0%	0	17,200
<b>TOTAL EXPENDITURES (w/o D.S. exp.)</b>	<b>197,489</b>	<b>1,571,316</b>	<b>2,862,326</b>	<b>55%</b>	<b>1,459,135</b>	<b>2,757,200</b>
<b>Excess (Deficiencies) of Revenue Over Expenditures</b>	<b>(52,733)</b>	<b>(608,092)</b>	<b>(1,215,868)</b>	<b>50%</b>	<b>(569,502)</b>	<b>(1,033,296)</b>
<b>OTHER FINANCE SOURCE (USES)</b>						
<b>Transfer to Other Funds</b>						
Transfer from Tax Account	0	(952,675)	(1,427,329)	67%	(1,170,110)	(1,297,000)
Extra Ordinary Income						
Disposition of Assets (Surplus Sale)	0	0	(1,500)	0%	(2,238)	(15,238)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>(952,675)</b>	<b>(1,428,829)</b>	<b>67%</b>	<b>(1,172,348)</b>	<b>(1,312,238)</b>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)</b>						
	<b>(52,733)</b>	<b>344,583</b>	<b>212,961</b>		<b>602,846</b>	<b>278,942</b>
<b>NET INCOME</b>	<b>(52,733)</b>	<b>344,583</b>	<b>212,961</b>		<b>602,846</b>	<b>278,942</b>



**TAX FUND  
INCOME STATEMENT  
FOR PERIOD ENDING APRIL 30, 2020**

**58.06%**

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
<b>REVENUES</b>						
Ad-Valorem - Current	13,133	1,452,223	1,465,721	99%	1,249,484	1,297,100
Delinquent Tax Revenue	2,510	20,938	30,000	70%	20,142	44,000
Penalty & Interest - Tax Accounts	2,055	12,951	19,000	68%	13,823	21,850
Miscellaneous	0	8	8	100%	94	94
<b>TOTAL TAXES &amp; INTEREST</b>	<b>17,698</b>	<b>1,486,120</b>	<b>1,514,729</b>	<b>98%</b>	<b>1,283,543</b>	<b>1,363,044</b>
<b>EXPENDITURES</b>						
Tax Collector Fees	11,930	60,518	62,200	97%	46,509	42,431
Appraisal Districts	0	12,584	25,200	50%	11,433	22,867
<b>TOTAL EXPENDITURES</b>	<b>11,930</b>	<b>73,102</b>	<b>87,400</b>	<b>84%</b>	<b>57,942</b>	<b>65,298</b>
 Transfer to General Fund	 0	 952,675	 1,427,329	 67%	 1,170,110	 1,297,746
 <b>EXCESS REVENUES &amp; OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	  5,768	  460,343	  0		  55,491	  0

**SPECIAL SERVICES  
INCOME STATEMENT  
FOR PERIOD ENDING APRIL 30, 2020**

**58.06%**

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
<b>REVENUES</b>						
Ricardo Water Supply Corporation	23,887	167,804	308,794	54%	158,873	275,384
Nueces Water Supply Corporation	27,426	222,305	334,531	66%	158,711	258,616
<b>TOTAL REVENUES</b>	<b>51,313</b>	<b>390,109</b>	<b>643,325</b>	<b>61%</b>	<b>317,584</b>	<b>534,000</b>
<b>EXPENDITURES</b>						
Personnel	23,643	190,956	334,754	57%	182,550	312,132
Overhead	22,566	155,565	294,580	53%	170,333	282,172
<b>TOTAL EXPENDITURES</b>	<b>46,210</b>	<b>346,521</b>	<b>629,334</b>	<b>55%</b>	<b>352,883</b>	<b>594,304</b>
<b>EXCESS REVENUES &amp; OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	<b>5,103</b>	<b>43,588</b>	<b>13,991</b>		<b>(35,299)</b>	<b>(60,304)</b>

**South Texas Water Authority**  
**Balance Sheet**  
**April 30, 2020**

**ASSETS**

**Current Assets**

STWA - General	\$	78,933.59	
STWA - Payroll		9,257.07	
STWA - Operations		(1,341.39)	
Petty Cash		150.00	
TexPool - STWA General		3,414,699.03	
Due From Capital Projects Fund		66,728.04	
Due from Debt Service Fund		1,875.57	
Due from D.S.-Collect Service		5,282.77	
Tax Accounts Receivable		171,762.90	
Allowance for Uncollect Taxes		(76,736.35)	
Service accts receivable		340,053.38	
Interlocal Rec-Bishop		909.66	
Interlocal Rec-Ricardo		7,210.97	
Interlocal Rec-Nueces		10,715.31	
Interlocal Rec. - Tax Assessor		2,903.42	
Inventory		19,660.50	
<b>Total Assets</b>			<b>\$ 4,052,064.47</b>

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

Trade Accounts Payable	\$	180,341.37	
Salaries & Wages Payable		15,267.84	
Hospital Ins Tax Payable		1,464.36	
Withholding Taxes Payable		4,913.05	
Unemployment Comp. Pbl.		515.80	
Miscellaneous Payables		2,477.05	
Compensated Absences		17,508.91	
Deferred tax revenue		95,026.55	
Due to Debt Service Fund		468.28	
<b>Total Liabilities</b>			<b>317,983.21</b>

**Fund Equity**

Unassigned Fund Balance		2,865,906.34	
Assigned Fund Bal. - Inventory		19,660.50	
Current Earning		848,514.42	
<b>Total Fund Equity</b>			<b>3,734,081.26</b>
<b>Total Liabilities &amp; Fund Equity</b>			<b>\$ 4,052,064.47</b>

**South Texas Water Authority  
 GI Account Summary Report  
 As of: April 30, 2020**

<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
<b>Current Assets</b>					
STWA - General	132,658.28	\$ 169,013.92	\$ (222,738.61)	\$ (53,724.69)	\$ 78,933.59
STWA - Payroll	11,193.35	35,008.45	(36,944.73)	(1,936.28)	9,257.07
STWA - Operations	8,506.40	30,009.89	(39,857.68)	(9,847.79)	(1,341.39)
Petty Cash	150.00	0.00	0.00	0.00	150.00
Transfers	0.00	65,000.00	(65,000.00)	0.00	0.00
TexPool - STWA General	3,395,301.65	19,397.38	0.00	19,397.38	3,414,699.03
Due From Capital Projects Fund	21,440.35	45,287.69	0.00	45,287.69	66,728.04
Due from Debt Service Fund	1,864.59	10.98	0.00	10.98	1,875.57
Due from D.S. -Collect Service	2,413.15	2,869.62	0.00	2,869.62	5,282.77
Tax Accounts Receivable	171,762.90	0.00	0.00	0.00	171,762.90
Allowance for Uncollect Taxes	(76,736.35)	0.00	0.00	0.00	(76,736.35)
Service accts receivable	307,581.59	172,490.04	(140,018.25)	32,471.79	340,053.38
Interlocal Rec-Bishop	909.66	0.00	0.00	0.00	909.66
Interlocal Rec-Ricardo	8,398.65	7,210.96	(8,398.64)	(1,187.68)	7,210.97
Interlocal Rec-Nueces	14,884.92	10,715.30	(14,884.91)	(4,169.61)	10,715.31
Interlocal Rec. - Tax Assessor	3,323.51	2,903.42	(3,323.51)	(420.09)	2,903.42
Inventory	19,660.50	0.00	0.00	0.00	19,660.50
<b>Total Assets</b>	<b>4,023,313.15</b>	<b>559,917.65</b>	<b>(531,166.33)</b>	<b>28,751.32</b>	<b>4,052,064.47</b>
<b>Current Liabilities</b>					
Trade Accounts Payable	(112,499.89)	197,641.59	(265,483.07)	(67,841.48)	(180,341.37)
Salaries & Wages Payable	(10,663.04)	10,663.04	(15,267.84)	(4,604.80)	(15,267.84)
Hospital Ins Tax Payable	(1,443.95)	1,444.17	(1,464.58)	(20.41)	(1,464.36)
Withholding Taxes Payable	(4,911.02)	4,668.11	(4,670.14)	(2.03)	(4,913.05)
Emply Retire Prem Payable	0.00	13,088.82	(13,088.82)	0.00	0.00
Unemployment Comp. Pbl.	(2,748.69)	2,236.21	(3.32)	2,232.89	(515.80)
Miscellaneous Payables	(2,255.91)	9,516.07	(9,737.21)	(221.14)	(2,477.05)
Compensated Absences	(17,508.91)	0.00	0.00	0.00	(17,508.91)
Deferred tax revenue	(95,026.55)	0.00	0.00	0.00	(95,026.55)
Due to Debt Service Fund	(312.19)	0.00	(156.09)	(156.09)	(468.28)
<b>Total Liabilities</b>	<b>(247,370.15)</b>	<b>239,258.01</b>	<b>(309,871.07)</b>	<b>(70,613.06)</b>	<b>(317,983.21)</b>
<b>Fund Equity</b>					
Unassigned Fund Balance	(2,865,906.34)	0.00	0.00	0.00	(2,865,906.34)
Assigned Fund Bal. - Inventory	(19,660.50)	0.00	0.00	0.00	(19,660.50)
<b>Total Fund Equity</b>	<b>(2,885,566.84)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(2,885,566.84)</b>
<b>Totals</b>	<b>890,376.16</b>	<b>\$ 799,175.66</b>	<b>\$ (841,037.40)</b>	<b>\$ (41,861.74)</b>	<b>\$ 848,514.42</b>

**DEBT SERVICE FUND  
INCOME STATEMENT  
FOR PERIOD ENDING APRIL 30, 2020**

**58.06%**

	MONTHLY	YEAR TO DATE	2020 ADOPTED BUDGET	% OF 2020 ADOPTED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
<b>REVENUES</b>						
Ad-Valorem - Current	3,146	349,314	369,962	94%	345,628	359,300
Delinquent Tax Revenue	716	5,739	9,500	60%	6,276	14,450
Penalty & Interest - Tax Accounts	522	2,739	5,500	50%	3,542	5,950
Out-of-District Surcharge	156	1,093	1,873	58%	1,178	2,020
Interest on Temporary Investments	128	1,593	4,250	37%	2,673	5,000
Miscellaneous	<u>0</u>	<u>1</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
<b>TOTAL TAXES &amp; INTEREST</b>	<b>4,668</b>	<b>360,479</b>	<b>391,085</b>	<b>92%</b>	<b>359,297</b>	<b>386,720</b>
<b>OTHER FINANCING SOURCES</b>						
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
<b>TOTAL OTHER FINANCE SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>386,720</b>
<b>TOTAL REVENUE AND OTHER     FINANCE SOURCES</b>	<b>4,668</b>	<b>360,479</b>	<b>391,085</b>	<b>92%</b>	<b>359,297</b>	<b>386,720</b>
<b>EXPENDITURES</b>						
Fiscal Agent Fees	0	100	200	50%	100	200
Bond Interest Expense	0	58,925	117,850	50%	61,175	122,350
Bond Principal Payments	0	0	230,000	0%	0	225,000
Tax Collector Fees	2,870	14,557	12,070	121%	12,865	11,737
Appraisal District Fees	0	3,027	6,308	48%	3,162	6,325
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<b>2,870</b>	<b>76,609</b>	<b>366,428</b>	<b>21%</b>	<b>77,302</b>	<b>365,612</b>
<b>EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES</b>						
	1,799	283,870	24,657		281,995	21,108

**STWA Debt Service Fund  
Balance Sheet  
April 30, 2020**

**ASSETS**

**Current Assets**

Debt Service Acct. - TexPool	\$ 345,383.12
Due from General	468.27
Interlocal Rec.-Tax Assessors	749.40
Taxes Receivable	52,543.25
Allowance for Uncollectibles	(11,370.61)

**Total Current Assets** 387,773.43

**Other Assets**

**Total Other Assets** 0.00

**Total Assets** \$ 387,773.43

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

Deferred Tax Revenue	\$ 41,172.64
Due to General Fund	7,158.34

**Total Current Liabilities** 48,330.98

**Long-Term Liabilities**

**Total Long-Term Liabilities** 0.00

**Total Liabilities** 48,330.98

**Funds Equity**

Fund Balance	55,572.56
Net Income	283,869.89

**Total Funds Equity** 339,442.45

**Total Liabilities & Funds Equity** \$ 387,773.43

STWA Debt Service Fund  
 GI Account Summary Report  
 As of: April 30, 2020

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
10400	Debt Service Acct. - TexPool	340,802.73	\$ 4,580.39	\$ 0.00	\$ 4,580.39	\$ 345,383.12
12200	Due from General	312.18	156.09	0.00	156.09	468.27
13001	Interlocal Rec.-Tax Assessor	806.70	749.40	(806.70)	(57.30)	749.40
13300	Taxes Receivable	52,543.25	0.00	0.00	0.00	52,543.25
13301	Allowance for Uncollectibles	(11,370.61)	0.00	0.00	0.00	(11,370.61)
21700	Deferred Tax Revenue	(41,172.64)	0.00	0.00	0.00	(41,172.64)
24000	Due to General Fund	(4,277.74)	0.00	(2,880.60)	(2,880.60)	(7,158.34)
39100	Fund Balance	(55,572.56)	0.00	0.00	0.00	(55,572.56)
Totals		<u>282,071.31</u>	<u>\$ 5,485.88</u>	<u>\$ (3,687.30)</u>	<u>\$ 1,798.58</u>	<u>\$ 283,869.89</u>

**CAPITAL PROJECTS FUND  
INCOME STATEMENT  
FOR PERIOD ENDING APRIL 30, 2020**

**58.06%**

	MONTHLY	YEAR TO DATE	2020 ADOPTED BUDGET	% OF 2020 ADOPTED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
<b>REVENUES</b>						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	299	7,122	17,000	42%	13,641	17,500
TOTAL REVENUE AND OTHER FINANCE SOURCES	299	7,122	17,000	42%	13,641	17,500
 <b>EXPENDITURES</b>						
Right of Way Acquisition	0	0	0	0%	0	7,264
Engineering Fees	0	0	20,000	0%	0	245,594
Construction Costs	0	0	200,000	0%	0	305,977
42" Line-Cathodic Protection	45,288	107,768	516,809	21%	104,603	199,395
Pipeline Condition Assessment	0	0	0	0%	0	0
Legal & Administrative Fees	0	0	0	0%	0	181,712
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	<u>0</u>	<u>4,369</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	45,288	112,138	736,809	15%	104,603	939,942
 <b>EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES</b>						
	(44,989)	(105,015)	(719,809)		(90,962)	(922,442)



**STWA Capital Projects Fund  
Balance Sheet  
April 30, 2020**

**ASSETS**

**Current Assets**

TexSTAR - Construction Fund	\$ <u>818,265.74</u>	
Total Current Assets		818,265.74

**Property and Equipment**

Total Property and Equipment	<u>0.00</u>	
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**Other Assets**

Total Other Assets	<u>0.00</u>	
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Total Assets	\$ <u><u>818,265.74</u></u>	
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**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

Due to General Fund	\$ <u>66,728.03</u>	
Total Current Liabilities		66,728.03

**Long-Term Liabilities**

Total Long-Term Liabilities	<u>0.00</u>	
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Total Liabilities		66,728.03
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**Fund Balance**

Fund Balance	856,552.85	
Net Income	<u>(105,015.14)</u>	
Total Fund Balance		<u>751,537.71</u>

Total Liabilities & Fund Balance	\$ <u><u>818,265.74</u></u>	
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STWA Capital Projects Fund  
 GI Account Summary Report  
 As of: April 30, 2020

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
11300	TexSTAR - Construction	817,966.76	\$ 298.98	\$ 0.00	\$ 298.98	\$ 818,265.74
2400	Due to General Fund	(21,440.34)	0.00	(45,287.69)	(45,287.69)	(66,728.03)
39100	Fund Balance	(856,552.85)	0.00	0.00	0.00	(856,552.85)
	Totals	<u>(60,026.43)</u>	<u>\$ 298.98</u>	<u>\$ (45,287.69)</u>	<u>\$ (44,988.71)</u>	<u>\$ (105,015.14)</u>

**CATHODIC PROTECTION  
FY2020**

	<b>Payroll</b>	<b>Materials</b>	<b>Total</b>
October 2019	\$5,959.01	\$790.25	\$6,749.26 Due from Capital Projects Fund
November 2019	\$9,935.44	\$118.30	\$10,053.74 Due from Capital Projects Fund
December 2019	\$9,657.00	\$103.20	\$9,760.20 Due from Capital Projects Fund
January 2020	\$13,424.99	\$1,052.02	\$14,477.01 Due from Capital Projects Fund
February 2020	\$9,981.41	\$492.70	\$10,474.11 Due from Capital Projects Fund
March 2020	\$10,006.21	\$960.03	\$10,966.24 Due from Capital Projects Fund
April 2020	\$10,068.94	\$35,218.75	\$45,287.69 Due from Capital Projects Fund
May 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
June 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
July 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
August 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
September 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
<b>Totals</b>	<b>\$69,032.99</b>	<b>\$38,735.25</b>	<b>\$107,768.24</b>





**CATHODIC PROTECTION  
MATERIALS**

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	10/1/18	Beginning Balance			
52101	Repairs & Maint-42" line	10/15/18	FERGUSON ENTERPRISES, INC #61 - MASTIC	277.50		
52101	Repairs & Maint-42" line	10/19/18	W. W. Grainger, Inc. - AIR CHISEL SCALER, MULTIMETER	730.26		
52101	Repairs & Maint-42" line	10/23/18	CITIBANK CORPORATE CARD - Wire dispenser, wire, electrode, Cu-Sulfate	441.35		
52101	Repairs & Maint-42" line	10/23/18	W. W. Grainger, Inc. - chisel	11.07		
52101	Repairs & Maint-42" line	10/26/18	CITIBANK CORPORATE CARD - Harbor Freight Tools CP	46.38		
52101	Repairs & Maint-42" line	10/26/18	CORPUS CHRISTI ELECT. CO - Splice kit, wire, tape etc.	407.55		
52101	Repairs & Maint-42" line		Current Period Change	1,914.11		1,914.11
		10/31/18	Ending Balance			1,914.11

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	11/1/18	Beginning Balance			
52101	Repairs & Maint-42" line	11/5/18	CORPUS CHRISTI ELECT. CO - Fuse- CP Rectifiers	152.20		
52101	Repairs & Maint-42" line	11/6/18	CITIBANK CORPORATE CARD - CP Supplies- Tools and Accessories	370.02		
52101	Repairs & Maint-42" line	11/7/18	W. W. Grainger, Inc. - Canvas Cover	164.69		
52101	Repairs & Maint-42" line	11/8/18	McCOY'S BUILDING SUPPLY CENTER - CP Supplies	15.48		
52101	Repairs & Maint-42" line	11/9/18	LOWE'S BUSINESS ACCOUNT - shoval, tarp straps, ratchet bag, ladder	272.54		
52101	Repairs & Maint-42" line	11/16/18	LOWE'S BUSINESS ACCOUNT - Test leads	15.19		
52101	Repairs & Maint-42" line	11/19/18	McCOY'S BUILDING SUPPLY CENTER - Fogger and screws-	18.32		
52101	Repairs & Maint-42" line	11/28/18	LOWE'S BUSINESS ACCOUNT - Cord Storage and Plastic Clamps CP	9.85		
	Thompson Pipe Grinders	11/16/18		1,083.60		
	Corpro Companies	11/26/18		466.98		
	Repairs & Maint-42" line		Current Period Change	2,568.87		2,568.87
		11/30/18	Ending Balance			4,482.98

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	12/1/18	Beginning Balance			
52101	Repairs & Maint-42" line	12/6/18	LOWE'S BUSINESS ACCOUNT - CP - Tools	50.27		
52101	Repairs & Maint-42" line	12/10/18	O'REILLY AUTO SUPPLY - Filter Wrench -CP use	11.99		
52101	Repairs & Maint-42" line	12/21/18	O'REILLY AUTO SUPPLY - track hoe items	47.99		
52101	Repairs & Maint-42" line	12/27/18	LOWE'S BUSINESS ACCOUNT - CP TOOLS	20.87		
52101	Repairs & Maint-42" line		Current Period Change	131.12		131.12
		12/31/18	Ending Balance			4,614.10

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	1/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	1/2/19	CITIBANK CORPORATE CARD - Kubota L3901 Tractor with loader Rental	525.00		
52101	Repairs & Maint-42" line	1/11/19	Petty Cash - CP - CC Electronics - clips	31.00		
52101	Repairs & Maint-42" line	1/15/19	LOWE'S BUSINESS ACCOUNT - CP washer bolts Nuts, and tool box	74.97		
52101	Repairs & Maint-42" line	1/21/19	O'REILLY AUTO SUPPLY - Adapter- CP	14.99		
52101	Repairs & Maint-42" line	1/21/19	LOWE'S BUSINESS ACCOUNT - TOOL BAGS MATERIALS	95.03		
52101	Repairs & Maint-42" line	1/23/19	PRAXAIR DISTRIBUTION INC - Welder's helmet	239.95		
52101	Repairs & Maint-42" line	1/24/19	CITIBANK CORPORATE CARD - tools- bolts, gang blank cover	62.55		
52101	Repairs & Maint-42" line	1/28/19	O'REILLY AUTO SUPPLY - Battery charger	35.98		
52101	Repairs & Maint-42" line		Current Period Change	1,079.47		1,079.47
		1/31/19	Ending Balance			5,693.57

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
		2/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	2/1/19	CORPUS CHRISTI ELECT. CO - cathodic wire	351.00		
52101	Repairs & Maint-42" line	2/11/19	McCOY'S BUILDING SUPPLY CENTER - Masonry cement type S, marking spray	20.03		
52101	Repairs & Maint-42" line	2/26/19	McCOY'S BUILDING SUPPLY CENTER - winged wire nuts	10.56		
52101	Repairs & Maint-42" line		Current Period Change	381.59		381.59
		2/28/19	Ending Balance			6,075.16

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	3/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	3/1/19	CORRPRO COMPANIES, INC. - Test Stations Actual pipe with Electrical	422.11		
52101	Repairs & Maint-42" line	3/5/19	McCOY'S BUILDING SUPPLY CENTER - CP Sand	19.65		
52101	Repairs & Maint-42" line	3/5/19	McCOY'S BUILDING SUPPLY CENTER - Cement CP	28.49		
52101	Repairs & Maint-42" line	3/8/19	CORPUS CHRISTI ELECT. CO - Splice kit	215.00		
52101	Repairs & Maint-42" line	3/12/19	TRACTOR SUPPLY CREDIT PLAN - Flux Coat Bronze-Brazing Rod not for welding but for t	16.99		
52101	Repairs & Maint-42" line	3/18/19	McCOY'S BUILDING SUPPLY CENTER - CP Test Stations, Treated pine	54.20		
52101	Repairs & Maint-42" line	3/19/19	LOWE'S BUSINESS ACCOUNT - Wire connectors- CP Test Stations	17.82		
52101	Repairs & Maint-42" line	3/19/19	W. W. Grainger, Inc. - silicone sealant	4.08		
52101	Repairs & Maint-42" line	3/19/19	W. W. Grainger, Inc. - Color reflector 3" (50)	86.50		
52101	Repairs & Maint-42" line	3/20/19	McCOY'S BUILDING SUPPLY CENTER - screws/bolts ? CP	8.67		
52101	Repairs & Maint-42" line	3/20/19	CORPUS CHRISTI ELECT. CO - CP Test Stations- straps / bolts	124.98		
52101	Repairs & Maint-42" line	3/28/19	LOWE'S BUSINESS ACCOUNT - test stations self tap screws and lumber	91.09		
52101	Repairs & Maint-42" line	3/29/19	CORRPRO COMPANIES, INC. - Cott Big Fink - Test Stations Actual piping for the Test Stat	1,148.86		
52101	Repairs & Maint-42" line		Current Period Change			2,238.44
		3/31/19	Ending Balance			8,313.60

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	4/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	4/8/19	W. W. Grainger, Inc. - Color reflectors for Test Stations	69.20		
52101	Repairs & Maint-42" line	4/9/19	PRAXAIR DISTRIBUTION INC - Welding Rods CP-50pounds	170.00		
52101	Repairs & Maint-42" line	4/9/19	CORPUS CHRISTI ELECT. CO - Test Stations materials	98.85		
52101	Repairs & Maint-42" line	4/30/19	THOMPSON PIPE GROUP-PRESSURE - Bonding clips (200)	1,023.47		
11900	Corrpro Companies	4/16/19	CORRPRO COMPANIES, INC. - 500 Anodes	42,625.00		
52101	Repairs & Maint-42" line		Current Period Change			43,986.52
		4/30/19	Ending Balance			52,300.12

52101	Repairs & Maint-42" line	5/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	5/1/19	LOWE'S BUSINESS ACCOUNT - cement and hex bolts	17.75		
52101	Repairs & Maint-42" line	5/3/19	TRACTOR SUPPLY CREDIT PLAN - Brazing Rod	16.99		
52101	Repairs & Maint-42" line	5/17/19	CITIBANK CORPORATE CARD - 2 55# Rapid Set Mortar	32.80		
52101	Repairs & Maint-42" line	5/17/19	CORPUS CHRISTI ELECT. CO - #10 Stranded blue wire (500 ft)	97.50		
52101	Repairs & Maint-42" line	5/31/19	CITIBANK CORPORATE CARD - Concrete mix, electric tape	87.24		
52101	Repairs & Maint-42" line		Current Period Change	252.28		252.28
		5/31/19	Ending Balance			52,552.40

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	6/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	6/4/19	CITIBANK CORPORATE CARD - dealer electric- splice kits	38.00		
52101	Repairs & Maint-42" line	6/10/19	CORPUS CHRISTI ELECT. CO - Wire connectors	247.40		
52101	Repairs & Maint-42" line	6/12/19	W. W. Grainger, Inc. - Reflective strips	5.58		
52101	Repairs & Maint-42" line	6/14/19	CITIBANK CORPORATE CARD - Rapid set concrete mix	25.60		
52101	Repairs & Maint-42" line	6/18/19	McCOY'S BUILDING SUPPLY CENTER - Rustpre Spray Black	5.16		
52101	Repairs & Maint-42" line	6/25/19	LOWE'S BUSINESS ACCOUNT - Test Stations	21.21		
52101	Repairs & Maint-42" line	6/27/19	McCOY'S BUILDING SUPPLY CENTER - Screws for test stations	17.34		
52101	Repairs & Maint-42" line		Current Period Change	360.29		360.29
		6/30/19	Ending Balance			52,912.69

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	7/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	7/8/19	McCOY'S BUILDING SUPPLY CENTER - Black enamel paint for ARV	34.12		
52101	Repairs & Maint-42" line	7/15/19	CORPUS CHRISTI ELECT. CO - nylon wire 500 foot roll	92.50		
52101	Repairs & Maint-42" line	7/19/19	CITIBANK CORPORATE CARD - Home Depot- Wire connectors	18.84		
52101	Repairs & Maint-42" line	7/26/19	HOSE of SOUTH TEXAS - Wormgear clamps for ARV openings	86.38		
52101	Repairs & Maint-42" line	7/29/19	CITIBANK CORPORATE CARD - 3 - 60lbs bags Rapid Set Concrete Mix	38.40		
52101	Repairs & Maint-42" line		Current Period Change	270.24		270.24
		7/31/19	Ending Balance			53,182.93

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	8/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	8/13/19	McCOY'S BUILDING SUPPLY CENTER - Flat washers, hex nuts	18.31		
52101	Repairs & Maint-42" line	8/30/19	CITIBANK CORPORATE CARD - Rapid set concrete mix & screws	45.16		
52101	Repairs & Maint-42" line		Current Period Change	63.47		63.47
		8/31/19	Ending Balance			53,246.40

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	9/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	9/3/19	CORRPRO COMPANIES, INC. - Test station	710.00		
52101	Repairs & Maint-42" line	9/3/19	CORRPRO COMPANIES, INC. - Added 5 more	160.00		
52101	Repairs & Maint-42" line	9/5/19	CORPUS CHRISTI ELECT. CO - 100 sure splice kits	215.00		
52101	Repairs & Maint-42" line	9/6/19	CITIBANK CORPORATE CARD - water proof wire connectors	18.84		
52101	Repairs & Maint-42" line		Current Period Change	1,103.84		1,103.84
		9/30/19	Ending Balance			54,350.24

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	10/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	10/23/19	McCOY'S BUILDING SUPPLY CENTER - Treated Pine- CP Posts for test stations	37.31		
52101	Repairs & Maint-42" line	10/23/19	CORPUS CHRISTI ELECT. CO - Split Bolts (20) Brass Wire connector for test stations	30.16		
52101	Repairs & Maint-42" line	10/30/19	W. W. Grainger, Inc. - Erosion Control Blanket- 42" line	722.78		
52101	Repairs & Maint-42" line		Current Period Change	790.25		790.25
		10/30/19	Ending Balance			55,140.49



Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	11/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	11/11/19	TRACTOR SUPPLY CREDIT PLAN - Brazing Rod- CP	16.99		
52101	Repairs & Maint-42" line	11/12/19	TRACTOR SUPPLY CREDIT PLAN - Brazing rods-CP	15.99		
52101	Repairs & Maint-42" line	11/15/19	McCOY'S BUILDING SUPPLY CENTER - Safety Yellow Paint	34.12		
52101	Repairs & Maint-42" line	11/25/19	CITIBANK CORPORATE CARD - Rapid set cement-CP	51.20		
52101	Repairs & Maint-42" line		Current Period Change	118.3		118.3
			Ending Balance			55258.79

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	12/1/19	Beginning Balance			
52101	Repairs & Maint-42" line	12/10/19	CITIBANK CORPORATE CARD - home depot Concrete mix-	28.25		
52101	Repairs & Maint-42" line	12/18/19	W. W. Grainger, Inc. - Test Stations- Color reflector	42.80		
52101	Repairs & Maint-42" line	12/23/19	LOWE'S BUSINESS ACCOUNT - Treated lumberCP Stations	32.15		
52101	Repairs & Maint-42" line		Current Period Change	103.20		103.20
			Ending Balance			55,361.99

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	1/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	1/6/20	LOWE'S BUSINESS ACCOUNT - Wire twist, conn yellow	2.93		
52101	Repairs & Maint-42" line	1/6/20	CITIBANK CORPORATE CARD - RAPID SET CONCRETE MIX	38.40		
52101	Repairs & Maint-42" line	1/13/20	CITIBANK CORPORATE CARD - RAPID SET CONCRETE MIX	38.40		
52101	Repairs & Maint-42" line	1/16/20	THOMPSON PIPE GROUP-PRESSURE - Bonding clips 200	800.00		
52101	Repairs & Maint-42" line	1/20/20	TRACTOR SUPPLY CREDIT PLAN - Brazin Rods for Anodes	31.98		
52101	Repairs & Maint-42" line	1/21/20	CITIBANK CORPORATE CARD - Home Depot-Rapid set cement	128.00		
52101	Repairs & Maint-42" line	1/22/20	LOWE'S BUSINESS ACCOUNT - self drill screws	12.31		
52101	Repairs & Maint-42" line		Current Period Change	1,052.02		1,052.02
			Ending Balance			56,414.01

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	2/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	2/7/20	CITIBANK CORPORATE CARD - Rapid Cement, seft tapping screws	142.76		
52101	Repairs & Maint-42" line	2/11/20	CORPUS CHRISTI ELECT. CO - clip connector and straps for test stations	349.94		
52101	Repairs & Maint-42" line		Current Period Change	492.70		492.70
			Ending Balance			56,906.71

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	3/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	3/4/20	Pace Analytical Services, LLC - Soil Test on 42	82.00		
52101	Repairs & Maint-42" line	3/4/20	CORPUS CHRISTI ELECT. CO - Sure splice kit w/ wire nuts	430.00		
52101	Repairs & Maint-42" line	3/11/20	Core & Main - 1 gal Bitumastic-3	156.00		
52101	Repairs & Maint-42" line	3/17/20	CORPUS CHRISTI ELECT. CO - THHn10 BluSol- Wires for Bonding clips	92.50		
52101	Repairs & Maint-42" line	3/18/20	PRAXAIR DISTRIBUTION INC - Acetylene	67.25		
52101	Repairs & Maint-42" line	3/26/20	LOWE'S BUSINESS ACCOUNT - 4x4x8 treated and Quickrete	132.28		
52101	Repairs & Maint-42" line		Current Period Change	960.03		960.03
			Ending Balance			57,866.74

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	4/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	4/1/20	TRACTOR SUPPLY CREDIT PLAN - Brazing rods	16.99		
52101	Repairs & Maint-42" line	4/1/20	TRACTOR SUPPLY CREDIT PLAN - Alum Electro	19.99		
52101	Repairs & Maint-42" line	4/14/20	CITIBANK CORPORATE CARD - Stuart Steel Protection - anodes CP project	34,350.00		
52101	Repairs & Maint-42" line	4/23/20	TRACTOR SUPPLY CREDIT PLAN - BRAZING ROD-BONDING CLIPS	15.99		
52101	Repairs & Maint-42" line	4/30/20	THOMPSON PIPE GROUP-PRESSURE - Bonding clips	815.78		
52101	Repairs & Maint-42" line		Current Period Change	35,218.75		35,218.75
		4/30/20	Ending Balance			93,085.49

**SOUTH TEXAS WATER AUTHORITY  
2012 BOND ELECTION**

<b>Cost of Bond Issuance:</b>	<b>\$107,386.40</b>	
<b>Proposition #1: REGIONAL WATERLINE</b>	<b>\$1,900,000.00</b>	<b>36.54%</b>
<b>Proposition #2: KINGSVILLE PUMP STATION</b>	<b>\$2,925,000.00</b>	<b>56.25%</b>
<b>Proposition #3: BISHOP FACILITY</b>	<b><u>\$375,000.00</u></b>	<b><u>7.21%</u></b>
<b>TOTAL BOND PROCEEDS:</b>	<b>\$5,307,386.40</b>	<b>100.00%</b>

<b>Cost of Bond Issuance</b>		
Financial Advisory Fee (First Southwest)	\$30,385.00	
Computer Structure Fee (for bidding securities)	\$6,000.00	
Bond Counsel - Leroy Grawunder (MP&H)	\$39,000.00	
Attorney General - State Fees and Review	\$5,110.00	
Standard & Poor's - Rating Agency	\$11,000.00	
Paying Agent - Bank processing bonds/paid semi annually	\$200.00	
Document Preparation/Printing	\$5,000.00	
Miscellaneous	\$1,973.90	
Accrued Interest - use to make first Debt Payment	<u>\$8,717.50</u>	
TOTAL Cost of Bond Issuance	<b>\$107,386.40</b>	

**Proposition #1: REGIONAL WATERLINE**

**36.54%**

	Engineer Estimate	Contract Amount	Amount Expended	Amount Remaining
TOTAL PROPOSITION #1:	<b>\$1,900,000.00</b>			\$1,900,000.00
Engineering: HDR		\$209,300.00	\$209,300.00	\$1,690,700.00
Construction: Lewis Construction		\$1,035,100.00	\$1,035,100.00	
Change Order #1		\$4,320.85	\$0.00	
Change Order #2		\$30,815.17	\$30,815.17	
Change Order #3		-\$5,100.00	-\$5,100.00	
Change Order #4		\$13,954.16	\$13,954.16	
		<u>\$1,079,090.18</u>	<u>\$1,074,769.33</u>	
ROW Acquisition:		<u>\$57,436.31</u>	<u>\$57,436.31</u>	
		\$1,136,526.49	\$1,132,205.64	
Verizon Wireless - Prepay			\$4,688.46	
Verizon Wireless - Additional amount due			\$911.04	
J. V. Oilfield			<u>\$3,528.80</u>	
			\$1,141,333.94	\$549,366.06
HDR Pipeline Condition Assessment		\$105,900.00	\$100,605.00	\$448,761.06
HDR LAS Booster -Driscoll		\$71,100.00	\$31,998.00	\$416,763.06
LAS Booster - Construction		\$369,000.00	\$369,000.00	
Change Order #1		\$45,586.84	\$45,586.84	
Change Order #2		\$1,705.00	\$1,705.00	
Change Order #3		<u>\$10,650.00</u>	<u>\$10,650.00</u>	
		\$426,941.84	\$426,941.84	-\$10,178.78
Rock Engineering			\$1,051.00	
Rock Engineering			\$201.00	
Rock Engineering			<u>\$2,026.00</u>	
			\$3,278.00	-\$13,456.78
Non-Construction Related Costs:		<u>\$22,650.42</u>	<u>\$20,031.42</u>	
TOTAL Proposition #1	\$1,900,000.00	\$1,763,118.75	\$1,933,488.20	<b>-\$33,488.20</b>

**Proposition #2: KINGSVILLE PUMP STATION**

56.25%

	Engineer Estimate	Contract Amount	Amount Expended	Amount Remaining
TOTAL PROPOSITION #2	<b>\$2,925,000.00</b>			
Construction Related Costs:	<b>\$2,242,000.00</b>			\$2,242,000.00
<b>PreLoad - 1 million gallon ground storage tank</b>		\$1,319,700.00		
Change Order #1		-\$4,802.06		
Change Order - Liquidated Damages		<u>-\$66,295.39</u>		
Ground Storage Tank - PreLoad		\$1,248,602.55 *	\$1,206,897.95	
Final - Payment #8 - Liquidated damages			<u>\$41,704.60</u>	
			<b>\$1,248,602.55</b>	
Mission Automated - additional work on mixing system (not a subcontractor of PreLoad)			\$1,750.00	
Rock Engineering - Soil samples			<u>\$1,521.50</u>	
			<b>\$1,251,874.05</b>	
<b>Liquidated Damages</b>				
Liquidated Damages - HDR Eng.		\$48,000.00		
Mission Automated		\$11,854.14		
Reimburse STWA-water/employee overtime		<u>\$6,441.25</u>		
<b>Total Liquidated Damages</b>		\$66,295.39		
<b>Total Construction cost of Ground Storage Tank</b>			<b>\$1,318,169.44</b>	\$923,830.56
<b>ACP - New Kingsville Pumps</b>		\$295,000.00	\$295,000.00	
Change Order #1		\$12,310.75	\$12,310.75	
Odessa Pumps-		<u>\$20,162.00</u>	<u>\$20,162.00</u>	
		\$327,472.75	\$327,472.75	\$596,357.81
<b>D &amp; H United Fueling Solutions - Generator</b>		\$123,586.38	\$123,586.39	
				<b>\$472,771.42</b>
<b>Engineering Costs:</b>	<b>\$560,500.00</b>			\$560,500.00
HDR Engineering - GST*		\$234,800.00	\$234,800.00	
HDR Engineering - Kingsville Pumps		\$91,600.00	\$91,600.00	
LNV - Generator		\$30,000.00	<u>\$30,000.00</u>	
			\$356,400.00	<b>\$204,100.00</b>
Non-Construction Related Costs:	<b>\$122,500.00</b>	\$0.00	\$30,836.54	<b>\$91,663.46</b>
TOTAL Proposition #2	\$2,925,000.00		\$2,086,898.23	<b>\$768,534.88</b>

**Proposition #3: BISHOP FACILITY**

7.21%

	Engineer Estimate	Contract Amount	Amount Expended	Amount Remaining
<b>Construction Related Costs:</b>	<b>\$277,100.00</b>			\$277,100.00
Mercer - Bishop West Pumps		\$109,900.00	\$109,900.00	
Change Order: Change Order #1 - Paint Building		\$3,996.50	\$3,996.50	
Change to WYE		\$3,700.00	\$3,700.00	
		\$117,596.50	\$117,596.50	\$159,503.50
<b>Engineering Costs:</b>	<b>\$69,300.00</b>			
LNV Engineering		\$52,200.00	\$52,200.00	\$17,100.00
<b>Non-Construction Related Costs:</b>	<b>\$28,600.00</b>		\$3,952.55	\$24,647.45
				<b>\$201,250.95</b>

<b>TOTAL</b>	<b>\$936,297.63</b>
<b>INTEREST EARNINGS</b>	<b>\$72,880.32</b>
<b>BALANCE</b>	<b>\$1,009,177.95</b>
<b>CATHODIC PROTECTION</b>	<b>\$257,640.18</b>
<b>REMAINING BOND FUNDS</b>	<b>\$751,537.77</b>

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
2/29/2020	AEGION/Corrpro	594472	Continuity Testing	pending	\$6,495.60
5/6/2020	City of Corpus Christi		April water	paid	\$111,220.27
5/6/2020	Hilltop Securities	101852	Annual Disclosure Report	pending	\$2,500.00
5/7/2020	Kevin Kieschnick	200	April 2020 Per parcel fees	pending	<u>\$14,799.52</u>
					\$135,015.39



Stronger. Safer. Infrastructure.

BILLING OFFICE:  
7000 B HOLLISTER

HOUSTON, TX 77040  
713 460-6000

PLEASE REMIT BY CHECK TO :  
CORRPRO COMPANIES, INC.  
P.O. Box 674173  
Dallas, TX 75267-4173

PLEASE REMIT BY ACH TO :  
CORRPRO COMPANIES, INC.  
BBVA COMPASS BANK  
ABA: 113010547  
ACCT: 2520837836

DATE : 2/29/2020  
INVOICE #: 594472  
TERMS: Net 30 Days  
PAGE : PAGE 1 OF 1  
CORRPRO REF #: 40410178  
BILLING CONTACT : Dauzat, Christopher L

BILL TO: 2425011  
SOUTH TEXAS WATER AUTHORITY  
P.O. BOX 1701

KINGSVILLE, TX 78364  
ATTN:

SHIP TO: 4304201  
SOUTH TEXAS WATER AUTHORITY  
2302 E. SAGE RD

KINGSVILLE, TX 78363

CUSTOMER ORDER # : PO 13177

JOB DESCRIPTION : Contract 1 CIS

DESCRIPTION OF WORK	QUANTITY	UNIT	UNIT PRICE	AMOUNT
South Texas Water Authority PO 13177 Contract 1 CIS				
MOB/DEMOB	468.00	MI	1.70	795.60
CONTRACT 1 CIS	2.00	DY	2,850.00	5,700.00

POSTED

Subtotal	6,495.60
Sales Tax	0.00
Retention	0.00

**AMOUNT DUE THIS INVOICE** 6,495.60





**CITY OF  
CORPUS  
CHRISTI**

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

Account Name: SOUTH TX WATER AUTH  
Account Number: 20004093  
Statement Date: 5/8/2020  
Due Date: 5/27/2020  
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: 3522806

**QUESTIONS ABOUT YOUR BILL?**

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

**IMPORTANT MESSAGES**

**WIPES CLOG PIPES!**

Toilet paper is the only thing that can go down the drain.

**Do not flush:**

- Flushable wipes
- Baby wipes
- Paper towels
- Personal hygiene towels
- Shop towels

Do your part to maintain our wastewater collection system.

**Water Quality**

Water for the City of Corpus Christi is reliable and safe to use in your normal daily activities. Our water supply is **100% safe to drink** and our operations will continue to provide water to the city under all circumstances.

**Utility Business Office**

Customers can contact Utilities Business Office by phone for all concerns regarding their account. Please call 826-CITY (2489) for assistance.

**ACCOUNT SUMMARY**

PREVIOUS BALANCE	\$94,996.27
TOTAL PAID SINCE LAST BILL	-\$94,996.27
<b>NEW CHARGES</b>	
WATER	\$65,554.27
RWCA \$1.032/TGAL	\$45,666.00
TOTAL WATER	\$111,220.27
<b>NEW CHARGES DUE BY 5/27/2020:</b>	<b>\$111,220.27</b>
<b>AMOUNT DUE</b>	<b>\$111,220.27</b>

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

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



**CITY OF  
CORPUS  
CHRISTI**

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



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

Account Number	Due Date	Amount Due
20004093	5/27/2020	\$111,220.27

AMOUNT ENCLOSED \$

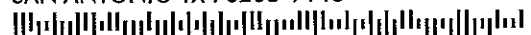
MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

Working to Serve YOU Better.



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

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



200040930111220277



**CITY OF  
CORPUS  
CHRISTI**

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

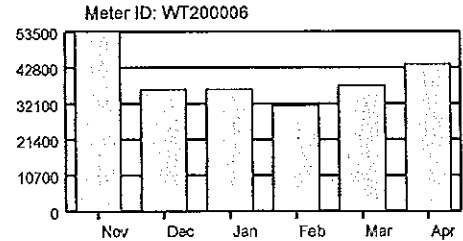
Account Name: SOUTH TX WATER AUTH  
Account Number: 20004093  
Statement Date: 5/6/2020  
Due Date: 5/27/2020  
Page: Page 2 of 2

**METER INFORMATION**

SERVICE PERIOD: 3/31/2020 - 4/30/2020 31 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 4/30/2020
WT200006	WA	5261600	5217350	44250

**CONSUMPTION HISTORY**



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

PLEASE HELP US TO SERVE YOU BETTER

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

OPTIONS AVAILABLE TO PAY YOUR BILL

- Mail payment along with stub in return envelope provided.
- Bank Draft available via Dynamic Portal at [www.cctexas.com](http://www.cctexas.com).
- Online Payment - Register via Dynamic Portal at [www.cctexas.com](http://www.cctexas.com) available 24/7.
- By phone 24/7 with a credit or debit card at 361-885-0751.

AUTHORIZED PAY STATIONS

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





May 6, 2020  
GL Ref Number: 0223007

Invoice Number: 101852  
Anne Burger Entrekin

## 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 2020

### *Continuing Disclosure Services*

---

Annual Report-General Obligation	<u>\$2,500.00</u>
Total	<u><u>\$2,500.00</u></u>

POSTED

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

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



# Kevin Kieschnick

Nueces County Tax Assessor-Collector  
901 Leopard St. Suite 301  
Corpus Christi, TX 78401

# Invoice

Date	Invoice #
5/7/2020	200

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

RECEIVED  
MAY 14 2020  
SOUTH TEXAS WATER AUTHORITY

Item	Description	Quantity	Rate	Terms
				Due on receipt
Amount				
Collection Fee	Ad Valorem Tax Collection Fee April 2020	13,014	1.1372	14,799.52
POSTED				
<b>Total</b>				\$14,799.52

Please Make Checks Payable To:  
NUECES COUNTY TAX ASSESSOR-COLLECTOR

RECEIVED

MAY 18 2020

NUECES WATER SUPPLY CORPORATION



*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*

**NUECES COUNTY APPRAISAL DISTRICT  
2020 BUDGET ALLOCATION**

INVOICE #063020

Taxing Unit: So Texas Water Auth

Due Date: June 30, 2020

3<sup>rd</sup> Quarter Amount Due: \$2,465

**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-19	\$0.426386	\$2.5121	\$2.9384	\$0.426386	\$2.555317	\$2.981703	\$0.0433
Nov-19	\$0.426386	\$2.5138	\$2.9402	\$0.426386	\$2.554158	\$2.980544	\$0.0404
Dec-19	\$0.426386	\$2.5138	\$2.9402	\$0.426386	\$2.556238	\$2.982624	\$0.0425
Jan-20	\$0.426386	\$2.5129	\$2.9393	\$0.426386	\$2.517187	\$2.943573	\$0.0043
Feb-20	\$0.426386	\$2.5150	\$2.9414	\$0.426386	\$2.520362	\$2.946748	\$0.0054
Mar-20	\$0.426386	\$2.5136	\$2.9400	\$0.426386	\$2.516457	\$2.942843	\$0.0028
Apr-20	\$0.426386	\$2.5125	\$2.9389	\$0.426386	\$2.513452	\$2.939838	\$0.0010
May-20	\$0.426386	\$2.5112	\$2.9376	\$0.426386		\$0.426386	-\$2.5112
Jun-20	\$0.426386	\$2.5114	\$2.9378	\$0.426386		\$0.426386	-\$2.5114
Jul-20	\$0.426386	\$2.5093	\$2.9357	\$0.426386		\$0.426386	-\$2.5093
Aug-20	\$0.426386	\$2.5090	\$2.9354	\$0.426386		\$0.426386	-\$2.5090
Sep-20	\$0.426386	\$2.5119	\$2.9383	\$0.426386		\$0.426386	-\$2.5119
<b>Avg Cost</b>	\$0.426386	\$2.5122	\$2.9386	\$0.426386	\$2.536620	\$2.963006	\$0.0244

**ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE**

All Customers	Budgeted			Actual			Difference
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	
Oct-19	44,241,872	54,839,100	10,597,228	13,220,800	17,207,800	3,987,000	
Nov-19	40,165,086	43,777,290	3,612,204	11,455,292	15,253,930	3,798,638	
Dec-19	40,212,944	44,494,550	4,281,606	11,299,836	14,642,440	3,342,604	
Jan-20	42,192,793	35,720,968	-6,471,825	12,402,376	15,532,210	3,129,834	
Feb-20	37,798,943	35,107,392	-2,691,551	10,849,410	13,797,560	2,948,150	
Mar-20	40,508,306	42,226,120	1,717,814	11,286,497	16,525,720	5,239,223	
Apr-20	43,190,410	46,395,570	3,205,160	12,003,275	16,834,130	4,830,855	
May-20	46,585,418	0		13,296,415	0		
Jun-20	45,968,404	0		13,519,859	0		
Jul-20	52,906,104	0		15,632,031	0		
Aug-20	53,749,789	0		15,461,993	0		
Sep-20	44,697,161	0		13,174,630	0		
<b>TOTAL</b>	<b>532,217,229</b>	<b>302,560,990</b>	<b>14,250,637</b>	<b>153,602,414</b>	<b>109,793,790</b>	<b>27,276,304</b>	

Kingsville	Budgeted			Actual			Difference
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	
Oct-19	10,776,817	13,835,000	3,058,183	8,551,800	11,362,000	2,810,200	
Nov-19	10,776,817	7,495,000	-3,281,817	7,482,800	8,725,000	1,242,200	
Dec-19	10,776,817	6,224,000	-4,552,817	7,281,800	10,899,000	3,617,200	
Jan-20	10,776,817	4,672,000	-6,104,817	7,296,200	7,504,000	207,800	
Feb-20	10,776,817	7,374,000	-3,402,817	6,255,400	7,668,000	1,412,600	
Mar-20	10,776,817	8,330,000	-2,446,817	7,209,400	9,996,000	2,786,600	
Apr-20	10,776,817	10,463,000	-313,817	8,252,600	10,318,000	2,065,400	
May-20	10,776,817	0		9,251,800	0		
Jun-20	10,776,817	0		8,843,400	0		
Jul-20	10,776,817	0		10,368,600	0		
Aug-20	10,776,817	0		10,938,400	0		
Sep-20	10,776,817	0		8,315,400	0		
<b>TOTAL</b>	<b>129,321,803</b>	<b>58,393,000</b>	<b>-17,044,718</b>	<b>100,047,600</b>	<b>66,472,000</b>	<b>14,142,000</b>	

<b>Bishop</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-19	4,416,600	0	-4,416,600
Nov-19	3,662,800	9,000	-3,653,800
Dec-19	4,149,200	0	-4,149,200
Jan-20	4,625,600	5,000	-4,620,600
Feb-20	3,455,800	3,000	-3,452,800
Mar-20	4,296,467	0	-4,296,467
Apr-20	4,551,022	1,122,000	-3,429,022
May-20	5,093,200	0	
Jun-20	4,722,400	0	
Jul-20	6,904,600	0	
Aug-20	7,831,400	0	
Sep-20	4,834,000	0	
<b>TOTAL</b>	<b>58,543,089</b>	<b>1,139,000</b>	<b>-28,018,489</b>

<b>Banquete</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-19	2,121,510	2,031,690	-89,820
Nov-19	1,995,956	1,869,870	-126,086
Dec-19	1,989,710	1,717,560	-272,150
Jan-20	2,048,162	1,607,490	-440,672
Feb-20	1,926,684	1,490,560	-436,124
Mar-20	1,962,482	1,618,160	-344,322
Apr-20	2,069,200	1,619,360	-449,840
May-20	2,212,568	0	
Jun-20	2,124,968	0	
Jul-20	2,479,966	0	
Aug-20	2,450,114	0	
Sep-20	2,079,898	0	
<b>TOTAL</b>	<b>25,461,218</b>	<b>11,954,690</b>	<b>-2,159,014</b>

<b>Driscoll</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-19	2,919,411	8,094,200	5,174,789
Nov-19	2,869,385	8,378,700	5,509,315
Dec-19	2,769,269	9,094,300	6,325,031
Jan-20	3,074,800	4,578,018	1,503,218
Feb-20	2,760,460	2,998,882	238,422
Mar-20	3,023,180	3,716,000	692,820
Apr-20	3,200,040	3,964,000	763,960
May-20	3,487,060	0	
Jun-20	3,405,680	0	
Jul-20	4,054,280	0	
Aug-20	3,746,993	0	
Sep-20	3,327,520	0	
<b>TOTAL</b>	<b>38,638,079</b>	<b>40,824,100</b>	<b>20,207,555</b>

<b>Agua Dulce</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-19	2,234,934	2,308,410	73,476
Nov-19	1,922,036	2,045,790	123,754
Dec-19	1,946,312	1,917,250	-29,062
Jan-20	1,968,838	1,822,250	-146,588
Feb-20	1,774,372	1,775,390	1,018
Mar-20	1,953,463	2,040,240	86,777
Apr-20	2,337,456	2,075,080	-262,376
May-20	2,467,558	0	
Jun-20	2,575,280	0	
Jul-20	2,689,810	0	
Aug-20	2,544,072	0	
Sep-20	2,188,896	0	
<b>TOTAL</b>	<b>26,603,027</b>	<b>13,984,410</b>	<b>-153,001</b>

**Kingsville Bell Chart Values**

	<b>Target Volume</b>	<b>Actual Volume</b>	<b>Difference</b>
Oct-19	12,523,440	13,835,000	1,311,560
Nov-19	7,389,359	7,495,000	105,641
Dec-19	5,905,073	6,224,000	318,927
Jan-20	4,650,000	4,672,000	22,000
Feb-20	6,784,078	7,374,000	589,922
Mar-20	8,352,855	8,330,000	-22,855
Apr-20	10,965,223	10,463,000	-502,223
May-20	12,570,213	0	
Jun-20	14,329,855	0	
Jul-20	15,813,135	0	
Aug-20	16,015,817	0	
Sep-20	13,952,654	0	
<b>TOTAL</b>	<b>129,251,702</b>	<b>58,393,000</b>	<b>1,822,972</b>

## INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director  
FROM: Armando Yruegas, O&M Supervisor  
DATE: May 19, 2020  
RE: Maintenance & Technical Report

During the week of April 20, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting
- Check calibrations on the DR900s
- Cleaned the drainage ditch off FM 2826 and CR 79 (Central Pump Station)
- Third Coast took Nitrate and Nitrite samples
- Mowed pump stations
- Checked Banquete generator- filled with coolant

During the week of April 27, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Finished mowing pump stations.
- All pump stations were disinfected.
- Changed chlorine bottle at Driscoll Pump Station
- Cleaned around Banquete storage building
- Delivered LAS to Central and Bishop Pump Stations
- Replaced battery on Agua Dulce Pump Station generator

During the week of May 4, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station 16 & KI MR)
- Held a Safety Meeting.



- Dropped off Skid-O-Cans at Ricardo #1 and Central Pump Stations. Made arrangements for delivery for one Skid-O-Can on trailer for CP crew
- Painted stripes on employee and customer parking lots
- Collected Bac-T sample
- Met with Mercer Controls at Kingsville on taps for RWSC transmission line

During the week of May 11, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Disinfected pump stations.
- Replaced pull start ropes on sump pumps
- Worked on Bishop East Pump Station SCADA system.
- Delivered LAS to Ricardo pump stations
- Collected Bac-T sample

To: Carola G. Serrato, Executive Director

From: Oscar Ortegón, CP Technician

Date: May 20, 2020

Re: CP Update

As of May 20, 2020, 314 anodes on 243 joints on the 42" water line have been installed as compared to April's report with 290 anodes on 224 joints. We have replaced 17 old test stations with new ones as compared to 16 replacements last month. Last month's footage was 11,923 LF. We have completed 13,003 feet out of 51,511 feet in Contract 2.

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

We have been installing reflective plates on test stations posts that we bought from Mueller Metals. This provides better visibility of test stations.

Due to Covid-19 and the weather it was a slow month production wise. Also the 42" line cover is between 10 to 12 feet in this area of contract 2 adjacent to the Petronilla Creek.

Based on information from the Corrpro CIS survey, there was a section in Bishop that had low potential readings on Contract 1. The crew started installing anodes on these 1,200 feet section and redid 2 test stations.

On May 11, 2020, we received the 500 anodes ordered from Stuart Steel Protection which was approved by the Board during the April 28<sup>th</sup> Board meeting.

ATTACHMENT 3

Resolutions 20-16 thru 20-19

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 19, 2020  
Re: Resolutions 20-16 through 20-19

Background:

As in the past, the May meeting is when the South Texas Water Authority Board considers the new tax year's resolutions. Resolution 20-16 appoints the Executive Director as the Authority's Tax Assessor in order to calculate the effective tax rate and publishing the necessary notices. Resolutions 20-17 and 20-18 appoint the Nueces and Kleberg Counties' Tax Assessor/Collectors as the Authority's tax collectors. Previously, the Board of Directors has elected to provide the tax exemptions outlined in Resolution 20-19.

Analysis:

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

Staff Recommendation:

Adopt Resolutions 20-16 through 20-19.

Board Action:

Determine whether to adopt Resolutions 20-16 through 20-19.

Summarization:

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

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 20-16

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 26th day of May, 2020.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, JR., SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 20-17

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 26th day of May, 2020.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, JR., SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 20-18

RESOLUTION APPOINTING MELISSA T. DELAGARZA, 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 Melissa T. DeLaGarza 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 26th day of May, 2020.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, JR., SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

Resolution 20-19

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 26th day of May, 2020.

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

ATTEST:

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



ATTACHMENT 4  
Preliminary CAD Values

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
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 30<sup>th</sup>. **Certified** Appraisal Rolls should be delivered by July 25<sup>th</sup> or soon thereafter.

Analysis:

Below are preliminary and certified values for 2015-2019 and this year's preliminary figures.

	Tax Year 2015 Preliminary - April	Tax Year 2015 Certified	Tax Year 2016 Preliminary - April	Tax Year 2016 Certified	Tax Year 2017 Preliminary- April	Tax Year 2017 Certified
NCAD	\$598,707,185	\$651,824,775	\$655,430,525	\$654,848,395	\$670,739,079	\$681,353,234
KCAD	\$978,008,651	\$1,044,245,601	\$1,022,599,604	\$1,045,804,845	\$1,054,692,773	\$1,066,869,086
<b>Total</b>	<b>\$1,576,715,836</b>	<b>\$1,696,070,376</b>	<b>\$1,678,030,129</b>	<b>\$1,700,653,240</b>	<b>\$1,725,431,852</b>	<b>\$1,748,222,320</b>

	Tax Year 2018 Preliminary- April	Tax Year 2018 Certified	Tax Year 2019 Preliminary- April	Tax Year 2019 Certified	Tax Year 2020 Preliminary- April	Difference
NCAD	\$756,524,728	\$804,058,640	\$899,859,345	1,017,319,633	1,035,935,421	\$18,615,788
KCAD	\$1,097,634,443	\$1,139,137,395	\$1,194,830,248	1,145,684,070*	1,204,567,485	\$58,883,415
<b>Total</b>	<b>\$1,854,159,171</b>	<b>\$1,943,196,035</b>	<b>\$2,094,689,593</b>	<b>2,163,003,703</b>	<b>2,240,502,906</b>	<b>\$77,499,203</b>

\*The Certified value provided by the KCAD indicates "INC." The following are excerpts from last year's memos on the certified values: *This year, the Kleberg County Appraisal District (KCAD) provided a certified roll showing \$51,680,071 in value under protest. KCAD included a report ... [that] shows about 50 properties under protest with potential lower values totaling \$47,572,977. [T]he information was provided to Bill Flickinger, Willatt and Flickinger. In addition, a telephone call to the Texas Comptroller's Property Tax Division was made. That department suggested calling Ms. Connie Rose with an attorney's office. [I]t would be expected that some portion of the \$47M - \$50M would be added to the appraisal roll sometime in the future. Bill Flickinger... advised using a percentage between 60% and 65% of that figure as the tax base for Kleberg County.*

Appraisal districts caution that preliminary values are subject to decreases since property value protests have not yet occurred. It warrants noting that STWA's Average Home Value is used to calculate the Effective Tax Rate which affects the Maintenance and Operations (M&O) tax rate that can be adopted. The Interest and Sinking (I&S) tax rate must be sufficient to generate the required debt service payments. If the Average Home Value **increases significantly**, the M&O tax rate may be *required* to **decrease** even if the overall tax base 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.



*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 29, 2020

RE: 2020 Preliminary Estimate of Net Total Taxable Value - SOUTH TEXAS WATER AUTHORITY

The State 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 30<sup>th</sup> of each year.

We are providing you this ESTIMATE as required by statute. We believe the Appraisal Review Board process, which begins in May, will probably change this estimate before final certification of the tax roll in July.

Since the following number is only an **estimate**, we suggest caution in using it for budget purposes. If you need more detail, please Don Causey, Assistant Chief Appraiser, at 361.696.7608 or by email at [dcausey@nuecescad.net](mailto:dcausey@nuecescad.net).

**2020 Preliminary Estimate of Net Total Taxable value: \$1,035,935,421**

Certified and Submitted,

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

Ramiro "Ronnie" Canales, RPA, CTA  
Chief Appraiser

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

RECEIVED

MAY 01 2020

April 30, 2020

SOUTH TEXAS WATER AUTHORITY

South Texas Water Authority  
Attn: Kathleen Lowman, President  
P.O. Box 1701  
Kingsville, Texas 78364

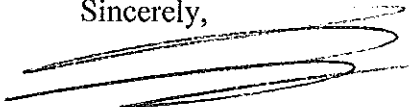
Dear Ms. Lowman:

In accordance with Section 26.01(e) of the Texas Property Tax Code, I am enclosing the 2020 Certified Estimate of Values for your taxing entity. The 81<sup>st</sup> 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 30<sup>th</sup> of each year or the next business day if the 30<sup>th</sup> 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, 2020, the majority of special appraisal applications deadlines are April 30, 2020, rendition extensions are through May 15, 2020, and some may be through June 1, 2020. 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, 2020, so that you will be given the ability to work with some updated information.

I have also included in your packet a 2020 Kleberg CAD Mineral Utility & Industrial Appraisal Outlook document by Wardlaw Appraisal Group so that you can have a better understanding of what is taking place with those values.

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 2020 TAXABLE VALUE  
INFORMATION  
AS OF  
APRIL 30, 2020

Taxing Unit: South Texas Water Authority

I, Ernestina Flores, Chief Appraiser of the Kleberg  
County Appraisal District do hereby certify the attached  
2020 Estimate of Taxable Value as of April 30, 2020.



Ernestina Flores, R.P.A.  
Chief Appraiser

4-30-20

Date:

**2020 PRELIMINARY VALUE INFORMATION  
AS OF 4-30-20**

**TAXING UNIT  
SOUTH TEXAS WATER AUTHORITY**

<b>GROSS VALUES</b>	<b>2020 PRELIMINARY VALUES</b>
REAL:	1,354,396,151
PERSONAL:	100,821,080
MINERAL:	161,099,490
TOTAL GROSS VALUE:	1,616,316,721
TOTAL EXEMPTIONS:	222,889,861
HOMESTEAD CAP ADJ:	12,295,341
LOSS TO AGRICULTURAL: VALUATION	176,564,034
NET TAXABLE VALUE:	1,204,567,485

**2020 PRELIMINARY VALUE INFORMATION**

**AS OF 4-30-20**

**TAXING UNIT  
SOUTH TEXAS WATER AUTHORITY**

<b>GROSS VALUES</b>	<b>2020 PRELIMINARY VALUES</b>	<b>2019 FINAL VALUES</b>	<b>DIFFERENCE</b>
REAL:	1,354,396,151	1,290,352,542	64,043,609
PERSONAL:	100,821,080	91,928,190	8,892,890
MINERAL:	161,099,490	179,928,731	(18,829,241)
<b>TOTAL GROSS VALUE:</b>	<b>1,616,316,721</b>	<b>1,562,209,463</b>	<b>54,107,258</b>
TOTAL EXEMPTIONS:	222,889,861	219,592,106	3,297,755
HOMESTEAD CAP ADJ:	12,295,341	20,391,679	(8,096,338)
LOSS TO AGRICULTURAL: VALUATION	176,564,034	176,541,608	22,426
<b>NET TAXABLE VALUE:</b>	<b>1,204,567,485</b>	<b>1,145,684,070</b> (INC)	<b>58,883,415</b>

**2020 KLEBERG CAD MINERAL UTILITY & INDUSTRIAL APPRAISAL OUTLOOK**

In an attempt to help KLEBERG CAD anticipate potential 2020 value changes to the Mineral, Utility and Industrial properties appraised by Wardlaw Appraisal Group, we have prepared this brief presentation summarizing our expectations. We do not have final renditions, production or prices yet. Therefore, this is a very preliminary projection of where the final countywide values may end up. There are many unknown factors that could drive values down below these estimates.

Please take particular note of several issues: 1) The Covid-19 pandemic is having significant impact on the economy and work environment. We do not know if the state government will make any 'disaster relief' changes to the property tax code to mitigate the impacts on the taxpayers of Texas, so there are no pandemic considerations made in this report. 2) Oil and gas prices collapsed in March 2020. This collapse took place after the 1/1/2020 "as of" appraisal date. The property tax code has very explicit instructions regarding the development of the oil and gas prices to be used in the 2020 appraisals. The prices we are required to use are 15-34% lower than the prices from the 2019 appraisals. But even so, they are still probably 50% higher than what people are being paid today. This will result in significant taxpayer dissatisfaction and will probably significantly increase the protest volumes.



# KLEBERG CAD MINERAL, UTILITY & INDUSTRIAL APPRAISALS

CHARLES WILLIAMS, PE, RPA  
WARDLAW APPRAISAL GROUP  
210-448-2000  
Charles.williams@wardlawappraisal.com

April 3, 2020



From 2018 to 2019, the overall value of the Mineral, Utility and Industrial properties appraised by Wardlaw in Kleberg CAD increased by approximately 12%, which was almost \$42 million.

In 2019 mineral values increased by 59% as a result of the completion and recompletion of a number of wells by EOG. of (a combination of preproduction and price reductions). The value of the utility and industrial properties we appraise went up by 4% in 2019.

## ANNUAL APPRAISAL CHANGE

### 2018 - 2019 CERTIFIED VALUE CHANGE

CATEGORY	2018	2019	% CHANGE
OIL & GAS	\$53,586,390	\$85,045,910	+ 59%
UTILITY & INDUSTRIAL	\$284,677,410	\$295,174,800	+4%
<b>OVERALL</b>	<b>\$338,265,818</b>	<b>\$380,220,710</b>	<b>+12%</b>

It is our expectation that Utility and Industrial values will drop by at least 20% in 2020.

We have only recently started receiving renditions, so we are only specifically aware of changes that can be observed through physical inspections or from general economic knowledge. Oil and gas plants, personal property and pipelines are expected to be lower because of the lower oil and gas prices last year.

## UTILITY & INDUSTRIAL VALUE CHANGE IN 2020

- ▶ 2020 RENDITIONS NOT YET RECEIVED
- ▶ ANTICIPATE 20% VALUE DROP IN 2020
  - ▶ ELECTRIC AND UTILITY COMPANY VALUES WILL BE DOWN
  - ▶ GAS PLANT AND PIPELINE VALUES WILL DROP ASSOCIATED WITH LOWER 2019 OIL & GAS PRICES

The Property Tax Code requires that the income approach be used to separately appraise each of the 240 producing leases in KLEBERG CAD. The individual appraisals of the leases have not yet been completed. However, since the primary formula for the income approach is 'Production X Price = Revenue', we can look at countywide production and prices to establish a corollary.

**MINERAL APPRAISED  
VALUES**

*MINERAL APPRAISALS ARE A PROJECTION  
OF THE FUTURE REVENUE FOR EACH  
LEASE / WELL*

-----

**MONTHLY PRODUCTION RATE**

**X**

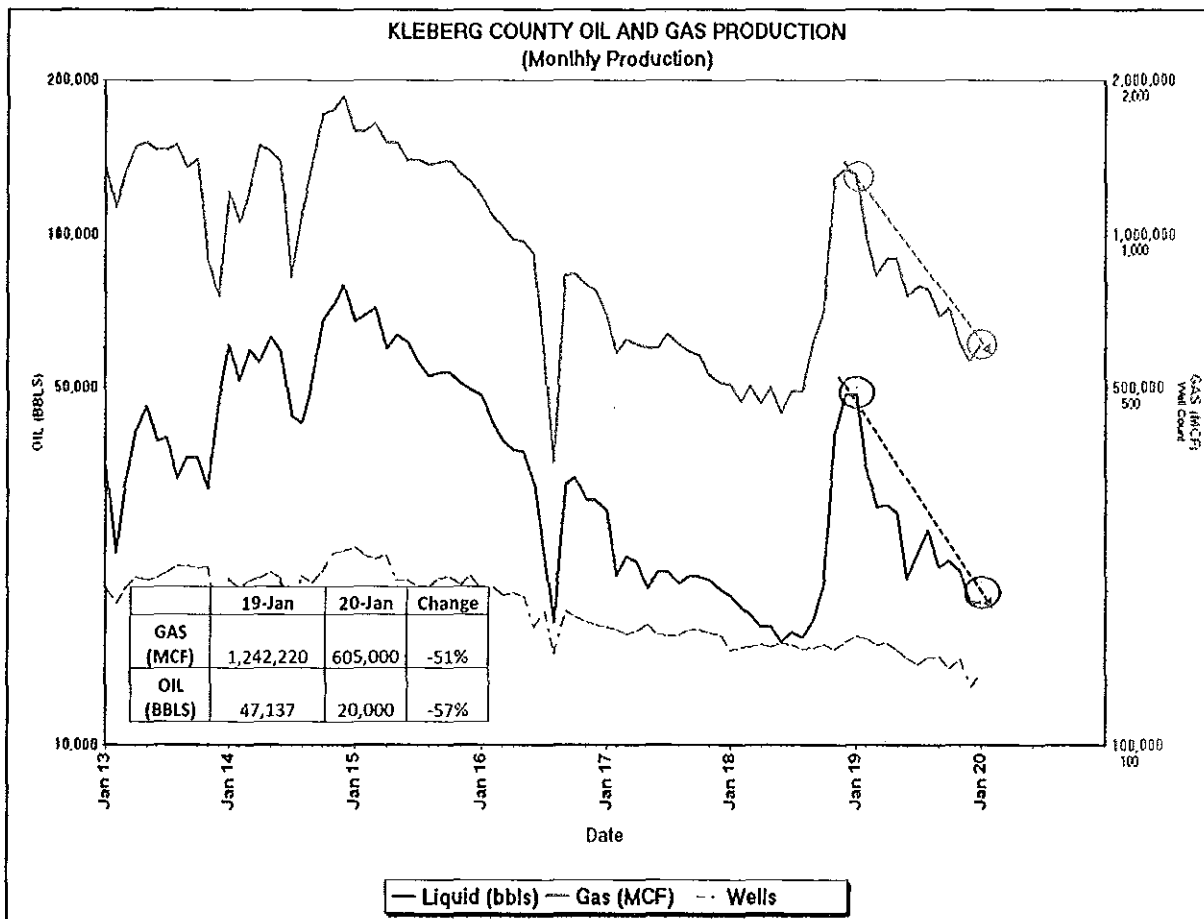
**PRICE**

**=**

***REVENUE***

Kleberg County production has been steadily declining the last six years. The graph below shows monthly oil and gas production since 2013. In 2015, monthly production reached a most 2,000,000 MCF/month and 80,000 BBL/Month. By mid-2018, the production has dropped down to 500,000 MCF 17,000 Bbls at which time EOG drilled and recompleted some wells which increased production rate for the 2019 appraisals 3 fold. Production for both oil and gas has declined over 50% in the last 12 months.

(The red and green circles below are overlaid on the January 2019 and January 2020 production)



The Property Tax Code requires that each lease be appraised using the average monthly price paid on that individual lease in the prior year. So, for 2020 appraisals have to start with the average oil and gas price actually paid in 2019 on each lease. Then separate Price Adjustment Factors are applied to the oil and gas prices, to account for potential anticipated economic changes in 2020. In the 2020 appraisals, the Price Adjustment Factors reduce the average 2019 price by approximately 2%.

The table below shows the average adjusted appraisal price in 2019 along with our estimate of the average adjusted appraisal price in 2020. In 2019 9n KlebergCounty (for the 2020 appraisal) Natural gas prices were approximately 34% lower and oil prices were approximately 15% lower than what was used in the 2019 appraisals.

## APPRAISAL PRICE CHANGE 2019-2020

APPRAISAL PRICES	OIL (\$/Bbl)	GAS (\$/MCF)
2019	\$67.89	\$3.89
2020 (EST)	\$58.12	\$2.56
% CHANGE	-15%	-34%

The combination of substantial price drops with significant production drops drives down the income. Since the appraisal is an income projection, reduced income equates to lower appraised values. We estimate that the 2020 mineral appraised value will be down by 66%.

At the estimated 2020 appraisal prices of \$2.56/mcf and \$58.12.bbl, almost 40% of the producing wells in Kleberg County are uneconomic – losing money. Today, the actual spot market oil price is \$28 and the natural gas price is \$1.54, at which revenue a majority of the wells in the county will be uneconomic. If prices continue to stay in their current range, operators will soon be unable to afford continuing to produce many of the Kleberg county wells.

## ESTIMATED 2020 APPRAISED VALUE CHANGE

- ▶ OIL PRODUCTION DECREASING 57%
- ▶ OIL PRICES DECREASING 15%
- ▶ OIL IS 43% OF COUNTY REVENUE
- ▶ GAS PRODUCTION DECREASING 51%
- ▶ GAS PRICES DECREASING 34%
- ▶ GAS IS 57% OF COUNTY REVENUE

**OVERALL MINERAL APPRAISED VALUE  
COULD BE DOWN OVER 60%**

When the oil and gas appraisals are combined with the utility and industrial appraisals, it appears the overall appraised value will be down approximately 29%, or \$110,000,000.

This estimate gives no consideration to Covid-19 or the collapse in the oil and gas markets.

The oil and gas agents have requested the Comptroller consider using a technical provision of the property tax code to significantly reduce oil and gas prices in the second year of the appraisal. If the comptroller provides direction supporting this change, the mineral appraised values would end up even lower.

<b>ESTIMATED OVERALL 2020 APPRAISED VALUE CHANGE</b>			
	<b>2019</b>	<b>2020</b>	<b>% CHANGE</b>
<b>OIL &amp; GAS</b>	\$85,045,910	\$34,000,000	- 60 %
<b>UTILITY &amp; INDUSTRIAL</b>	\$295,174,800	\$236,000,000	-20 %
<b>OVERALL</b>	<b>\$380,220,710</b>	<b>\$270,000,000</b>	<b>-29 %</b>

ATTACHMENT 5

Permanent Easement – Bishop Pump Station Facilities



## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: City of Bishop/STWA Permanent Easement – Bishop East Pump Station

### Background:

The last joint committee meeting was in February prior to STWA's Board meeting on February 25<sup>th</sup>. Today, I spoke with City Secretary Cynthia Contreras regarding the Bishop Council's upcoming meeting schedule. According to Ms. Contreras, the Council met on May 4<sup>th</sup>; however, they had not met since February due to the COVID-19 pandemic and the permanent easement item that was due to be discussed during an April 29<sup>th</sup> meeting was not placed on that agenda. Today, Ms. Contreras indicated that she thought the item would be on the Council's May 27<sup>th</sup> agenda. The Council meeting will be conducted in person in an area that will allow for the recommended spacing.

### Analysis:

Additional information on the City's May 27<sup>th</sup> meeting agenda should be available by the STWA Board meeting. If the permanent easement is placed on the agenda, I will be certain to attend the meeting.

### Staff Recommendation:

Continue to communicate with City representatives in order to negotiate an Agreement.

### Board Action:

Provide feedback to staff and legal counsel.

### Summarization:

As you can see from the enclosed email, the offer to host a remote joint committee meeting still stands. However, that method of conducting business is different from what has been typically done and may not be amenable to all parties.

**mcgserrato@stwa.org**

---

**From:** mcgserrato@stwa.org  
**Sent:** Monday, May 18, 2020 11:13 AM  
**To:** Cynthia Contreras (cynthia.contreras@cityofbishoptx.com)  
**Cc:** Bill Flickinger; Kathleen Lowman; Jose Graveley (pipe-man@juno.com); 'Rudy Galvan Paint & Body Collision Center'; Brandon Barrera (brandon.barrera2015@yahoo.com); Armando Yruegas; 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'  
**Subject:** FW: Cancelation - Bishop

Cynthia,

Just a quick follow-up to our conversation a few minutes ago - thank-you for the update. I hope to attend the Bishop Council Meeting on May 27th, which is the day after STWA's Board meeting on Tuesday. I understand that the City is meeting in person using a larger area to maintain the recommended social distance. However, as we discussed, the offer to arrange a joint committee meeting using Zoom to discuss the permanent easement is still open. You indicated that you thought that subject would be an agenda item for the Council's May 27th meeting. Please let me know if any additional information is needed.

Thanks and Take Care,  
Carola

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

-----Original Message-----

**From:** mcgserrato@stwa.org <mcgserrato@stwa.org>  
**Sent:** Wednesday, April 29, 2020 5:11 PM  
**To:** 'Cynthia' <Cynthia.contreras@cityofbishoptx.com>  
**Subject:** RE: Cancelation - Bishop

Thank-you. As a side note, STWA used our Zoom application last night for our first remote meeting and it went very well.

Have a good evening,  
Carola

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

-----Original Message-----

**From:** Cynthia <Cynthia.contreras@cityofbishoptx.com>  
**Sent:** Wednesday, April 29, 2020 4:55 PM  
**To:** 'Carola G. Serrato' <mcgserrato@stwa.org>  
**Subject:** FW: Cancelation - Bishop

Importance: High

Good Afternoon Carola,

Please see the attached notice, our Council meeting has been canceled for tonight and I know you were interested. I will let you know when Mayor Miller reschedules.

Respectfully,

Cynthia L. Contreras  
City Secretary  
City of Bishop  
PO Box 356  
Bishop, Texas 78343  
Phone: (361) 584-2567 ext. 106  
Fax: (361) 584-3253  
cynthia.contreras@cityofbishoptx.com

-----Original Message-----

From: city.scanner@cityofbishoptx.com <city.scanner@cityofbishoptx.com>  
Sent: Wednesday, April 29, 2020 2:55 PM  
To: cynthia.contreras@cityofbishoptx.com  
Subject:

-----  
Do Not Reply  
-----

ATTACHMENT 6

Purchase Agreement – STWA/City of Corpus Christi

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 21, 2020  
Re: City of Corpus Christi Request -- Relocation of Master Meter

### Background:

Last month, staff reported due to the COVID-19 restrictions, Mr. Bill Flickinger, has been unable to complete STWA's response to the City of Corpus Christi's preliminary Agreement whereby the master meter at the ON Stevens WTP would be relocated to the intersection of US 77 and CR 52 and the City would take possession of about 7000 LF of 42" waterline. However, late last week emails were exchanged and a remote meeting was held today. Attached is STWA's response discussed during today's meeting.

### Analysis:

As you can see from the response, the same concerns outlined in the last memo still apply. Language has been added intended to protect STWA from down-time and any future problems that may arise as a result of the bypass/new meter. The amendments to the Agreement provided by the City include a review by STWA's engineer, the cost of which will be paid by the City. Staff and legal counsel believe the City should commit to negotiations on STWA's Wholesale Water Supply Contract which has an ending term of 2026. Item 5 originally indicated a start date of July 1, 2020; however, November 1, 2020 was agreed upon.

City staff participating in the meeting included Lisa Aguilar with the City's legal department, Steve Ramos with the City's Water Resource department and several representatives with engineering and their distribution system. The City did not voice any objections to the other amendments made by Mr. Flickinger. They asked STWA to let them know which engineering firm would be utilized to review the City's design. There was a brief discussion regarding whether any section of line would be removed and if there would be any changes to the hydraulics (flow and/or volume) by the addition of a bypass and meter. They indicated that they did not anticipate removing any section and that there would be no changes to the hydraulics.

Finally, there was a discussion regarding the sequence of events and timing of the matter. Ms. Aguilar stated that the Agreement would not require City Council approval. I reported that STWA's draft agenda included two (2) items pertaining to the matter -- declaration of surplus property and the Agreement. After a discussion regarding exhibit details, Mr. Flickinger stated he could make the necessary changes to the Agreement shortly. He then inquired how quickly the Agreement could be executed since he has advised STWA not to declare the section of waterline as surplus without the City's execution of the Agreement.

### Staff Recommendation:

Contingent on legal counsel's advice regarding the City's execution, staff recommends approving the Agreement and the City's request to relocate the master meter measuring STWA's wholesale purchases.

### Board Action:

Determine whether to approve the Agreement.

### Summarization:

As before, staff believes this project is mutually beneficial to the City and STWA.

BF REDLINE DRAFT DATED 5/19/20

PURCHASE AGREEMENT  
WATER PIPELINE AND EASEMENTS  
SOUTH TEXAS WATER AUTHORITY

1. Parties. The parties to this transaction are:

Seller: South Texas Water Authority ("STWA")  
2302 East Sage Road P. O. Box 1704  
Kingsville, Texas 78363364

Buyer: City of Corpus Christi, Texas, ("City")  
Attn: Director of Water Utilities  
P.O. Box 9277  
Corpus Christi, Texas 78469

2. Property to be conveyed. The term "PROPERTY" refers to the Water Pipeline described in Exhibit A and the Easements described in Exhibits B.

3. Consideration. In consideration of City's installation of new water meter as further described below, and in consideration of the mutual covenants herein and payment of \$ \_\_\_\_\_, issued to South Texas Water Authority by the Buyer within 30 days of the Effective Date, Buyer agrees to purchases from Seller, and Seller agrees to sells, transfers and assigns to Buyer, all of Seller's rights, title and interest in and to the PROPERTY.

4. Installation of new water meter and change to point of delivery: City, at its sole expense, agrees to purchase, install and maintain a new water meter at the location identified on Exhibit C. The City's design for installation of the new meter (plans, specs, drawings, etc.) shall be subject to review and approval by STWA's engineer. The design will provide that water service to STWA will not be interrupted for an extended period of time. The City shall reimburse STWA for all of its engineering costs associated with its engineer's review and approval within 30 days after receiving an invoice from STWA for payment of such costs. In the event of a leak associated with tapping the line either upstream or downstream of the relocated meter the City will be responsible, at its sole expense, for the repair. In addition the parties agree to estimate the amount of water lost due to such leak and calculate a deduction of such amount from the amount billed to STWA as its purchased volume.

"Corpus Christi Water Supply Agreement" shall mean the Water Supply Agreement by and between South Texas Water 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. Once the new water meter is installed, the parties agree that the new meter location becomes the new point of delivery for purposes of Section 5 of the Corpus Christi Water Supply Agreement contract between the parties approved by City Ordinance 15749 in 1980, and the STWA water purchased shall be delivered to and metered through the new meter location. The City agrees to notify STWA of plans regarding installation of the new water meter for STWA review and comment. City will use best efforts to install the new water meter in a manner as to not cause disruption of STWA water service.

5. Agreement to Negotiate Extension and Amendment of Corpus Christi Water Supply Agreement. The parties acknowledge that the Corpus Christi Water Supply Agreement will expire in 2026. The parties agree to begin negotiations to extend and amend the Wholesale Water Contract on or before July 1, 2020 and to continue such negotiations in good faith.

65. Seller represents that:

- A. Seller possesses good and marketable title to the PROPERTY, and there are no liens or security interests in the PROPERTY.
- B. Seller shall do all such further acts, including execution of any additional title transfer documents that may be required to transfer title of the PROPERTY to Buyer.
- C. Seller is not aware of any claims arising out of the PROPERTY.
- D. Seller agrees to execute an Assignment of Easements substantially in the form of Exhibit E attached hereto and a Bill of Sale substantially in the form of Exhibit D attached hereto. Seller has the absolute and unrestricted right, power and authority to execute this Agreement and an Assignment of Easements and a Bill of Sale with the documents to be executed and delivered by Seller in connection with this transaction and to perform its obligations under this Contract. The execution of this Agreement and delivery of the Assignment of Easements and the Bill of Sale and the consummation of the transactions described herein, and compliance with the terms of this Bill of Sale will not conflict with, or constitute a default under, any agreement to which Seller are a party or by which Seller or the PROPERTY is bound, or violate any regulation, law, court order, judgment, or decree applicable to Seller or the PROPERTY, except as otherwise expressly provided herein.
- E. Seller has no knowledge of any pending or threatened litigation, condemnation, or assessment affecting the PROPERTY. Seller remains responsible for any claims

related to the Property that arise out of any act or omission of event prior to the date of execution of this Agreement by the City.

- F. No person, corporation, or other entity has or shall have any right or option to acquire the PROPERTY.
- G. Seller has not received any notice from any governmental agency regarding non-compliance with applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the PROPERTY.
- H. All taxes and assessments have been paid in full, and that none are delinquent.
- I. Seller has provided Buyer with a copy of any inspection reports regarding the Property prepared within the last 5 years.

76. Effective Date: This Agreement takes effect on date of last signature.

Agreed to and effective the date of last signature:

Seller: South Texas Water Authority

By: \_\_\_\_\_

Name:

Title:

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me by on \_\_\_\_\_, 2020 by \_\_\_\_\_ as the \_\_\_\_\_ for the South Texas Water Authority.

\_\_\_\_\_

Notary Public in and for the State of Texas



DRAFT

**Buyer:** CITY OF CORPUS CHRISTI, TEXAS

\_\_\_\_\_  
Name:  
Title:

THE STATE OF TEXAS §  
COUNTY OF NUECES §

This instrument was acknowledged before me on \_\_\_\_\_, 2020 by \_\_\_\_\_ as the \_\_\_\_\_ for the City of Corpus Christi, a Texas municipal corporation, on behalf of said corporation.

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

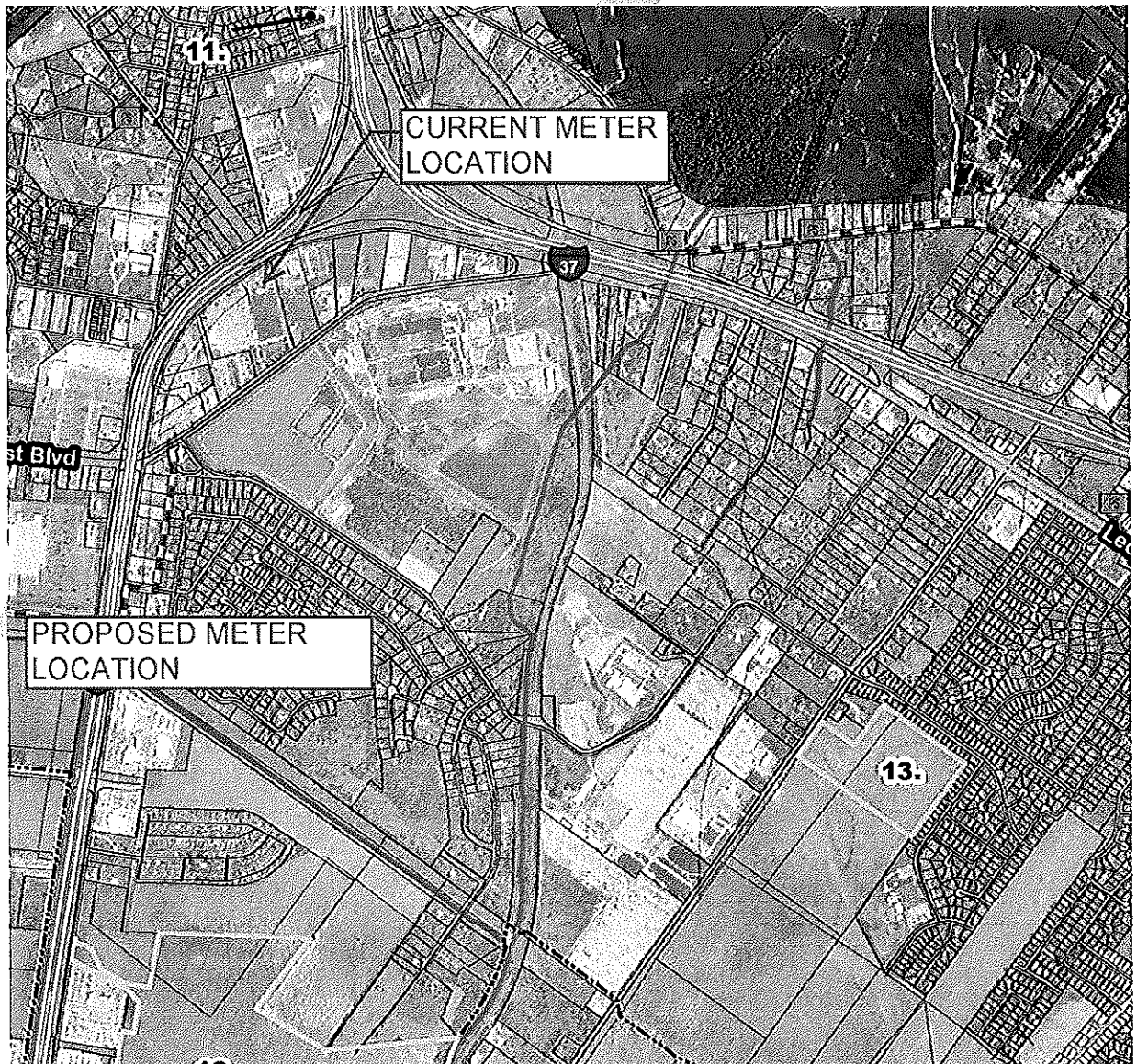
[Seal]

Approved as to legal form this \_\_\_\_\_ day of \_\_\_\_\_, 2020 for the City Attorney

\_\_\_\_\_  
Lisa Aguilar, Assistant City Attorney

## EXHIBIT A

Description of Pipeline and Equipment to be conveyed to City: A 42" water pipeline which initiates at the current meter location at O. N. Stevens Water Treatment Plant and continues along easements approximately 1.5 miles to the new meter location to be located at intersection of IH 69 and County Road 52.



## EXHIBIT B - List of all pipeline easements to be conveyed to the City:

**SOUTH TEXAS WATER AUTHORITY**  
**LIST OF EASEMENTS TO ASSIGN TO THE CITY OF CORPUS CHRISTI**

Parcel ID: A-1A  
Grantor: W. R. Durrill, D. N. Williams, J. B. Parker and H. Nolan Culp  
Grantee: South Texas Water Authority  
Dated: February 25, 1983  
Recorded under Document No. 313175, Volume 1862, Page 357, Deed Records of  
Nueces County, Texas

Parcel ID: A-1B  
Grantor: Charles Henry Davis and John Robert Dumas  
Grantee: South Texas Water Authority  
Dated: March 3, 1983  
Recorded under Document No. 313159, Volume 1862, Page 201, Deed Records of  
Nueces County, Texas

Parcel ID: A-1C  
Grantor: Exxon Corporation  
Grantee: South Texas Water Authority  
Dated: March 14, 1983  
Recorded under Document No. 318209, Volume 1867, Page 394, Deed Records of  
Nueces County, Texas

Parcel ID: A-1D  
Grantor: Jesus Alejandro and Carmen Alejandro  
Grantee: South Texas Water Authority  
Dated: May 9, 1983  
Recorded under Volume 001, Page 0065, Official Records of the District Court of  
Nueces County, Texas

Parcel ID: A-1E  
Grantor: Claude Denton, Jr., d/b/a Denton Petroleum Company  
Grantee: South Texas Water Authority  
Dated: February 23, 1983  
Recorded under Document No. 307689, Volume 1856, Page 782, Deed Records of  
Nueces County, Texas

Parcel ID: A-1F  
Grantor: H. Nolan Culp and Gloria Culp  
Grantee: South Texas Water Authority  
Dated: February 25, 1983

Recorded under Document No. 313174, Volume 1862, Page 348, Deed Records of  
Nueces County, Texas

Parcel ID: A-2A

Grantor: Central Power & Light Co.

Grantee: South Texas Water Authority

Dated: March 29, 1983

Recorded under Document No. 318210, Volume 1867, Page 409, Deed Records of  
Nueces County, Texas

Parcel ID: A-2B

Grantor: City of Corpus Christi

Grantee: South Texas Water Authority

Dated: September 16, 1983

Recorded under Document No. 341336, Volume 1889, Page 37, Deed Records of  
Nueces County, Texas

Parcel ID: A-3

Grantor: Kittie W. Gentry Estate

Grantee: South Texas Water Authority

Dated: January 20, 1983

Recorded under Document No. 307955, Volume 1857, Page 27, Deed Records of  
Nueces County, Texas

Exhibit C:

INSERT EXHIBIT SHOWING LOCATION OF THE NEW WATER METER TO BE  
INSTALLED BY THE CITY

DRAFT

Exhibit D  
Bill of Sale and Conveyance of Pipeline and Easements

Date: \_\_\_\_\_, 2020

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

Buyer: City of Corpus Christi, Texas  
P. O. Box 9277  
Corpus Christi, Texas 78469-9277

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Buyer

Seller does hereby grant, bargain, sell, transfer, convey, assign and deliver to Buyer all right, title, and interest of Seller in and to the:

Pipeline and Easements particularly defined in the Purchase Agreement dated \_\_\_\_\_, 2020 between the City of Corpus Christi and the South Texas Water Authority, (the "Property").

To Have and to Hold, all and singular, the same unto Buyer to its own use forever; and Seller warrants and agrees to defend title to the Property to Buyer and Buyer's successors against all lawful claims.

WITH THE EXCEPTION OF THE WARRANTIES OF TITLE, INCLUDING THE WARRANTY THAT NO LIENS EXIST ON THE TRANSFERRED PROPERTIES EXCEPT AS RECITED, SELLER HAS MADE NO AFFIRMATION OF FACT OR PROMISE RELATING TO THE TRANSFERRED PROPERTIES THAT HAS BECOME ANY BASIS OF THIS BARGAIN, AND FURTHER, SELLER HAS MADE NO AFFIRMATION OF FACT OR PROMISE RELATING TO THE TRANSFERRED PROPERTIES THAT WOULD CONFORM TO ANY SUCH AFFIRMATION OR PROMISE. SELLER DISCLAIMS ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE WHATEVER WITH RESPECT TO THE TRANSFERRED PROPERTIES. THE TRANSFERRED PROPERTIES ARE SOLD ON AN "AS IS" BASIS.

Executed and effective on the date set forth on the first page above.

[NEED TO ADD SIGNATURE BLOCK]

DRAFT



## EXHIBIT E

## ASSIGNMENT OF EASEMENTS

STATE OF TEXAS

COUNTY OF NUECES

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

Grantee: City of Corpus Christi, Texas  
 P. O. Box 9277  
 Corpus Christi, Texas 78469-9277

Date: \_\_\_\_\_, 2020

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Buyer

Grantor does hereby grant, bargain, sell, transfer, convey, assign and deliver to Grantee all right, title, and interest of Grantor in and to the following easements recorded of record:

**SOUTH TEXAS WATER AUTHORITY**  
**LIST OF EASEMENTS TO ASSIGN TO THE CITY OF CORPUS CHRISTI**

Parcel ID: A-1A

Grantor: W. R. Durrill, D. N. Williams, J. B. Parker and H. Nolan Culp

Grantee: South Texas Water Authority

Dated: February 25, 1983

Recorded under Document No. 313175, Volume 1862, Page 357, Deed Records of Nueces County, Texas

Parcel ID: A-1B

Grantor: Charles Henry Davis and John Robert Dumas

Grantee: South Texas Water Authority

Dated: March 3, 1983

Recorded under Document No. 313159, Volume 1862, Page 201, Deed Records of  
Nueces County, Texas

Parcel ID: A-1C  
Grantor: Exxon Corporation  
Grantee: South Texas Water Authority  
Dated: March 14, 1983

Recorded under Document No. 318209, Volume 1867, Page 394, Deed Records of  
Nueces County, Texas

Parcel ID: A-1D  
Grantor: Jesus Alejandro and Carmen Alejandro  
Grantee: South Texas Water Authority  
Dated: May 9, 1983

Recorded under Volume 001, Page 0065, Official Records of the District Court of  
Nueces County, Texas

Parcel ID: A-1E  
Grantor: Claude Denton, Jr., d/b/a Denton Petroleum Company  
Grantee: South Texas Water Authority  
Dated: February 23, 1983

Recorded under Document No. 307689, Volume 1856, Page 782, Deed Records of  
Nueces County, Texas

Parcel ID: A-1F  
Grantor: H. Nolan Culp and Gloria Culp  
Grantee: South Texas Water Authority  
Dated: February 25, 1983

Recorded under Document No. 313174, Volume 1862, Page 348, Deed Records of  
Nueces County, Texas

Parcel ID: A-2A  
Grantor: Central Power & Light Co.  
Grantee: South Texas Water Authority  
Dated:

Recorded under Document No. 318210, Volume 1867, Page 409, Deed Records of  
Nueces County, Texas

Parcel ID: A-2B  
Grantor: City of Corpus Christi  
Grantee: South Texas Water Authority  
Dated: September 16, 1983

Recorded under Document No. 341336, Volume 1889, Page 37, Deed Records of  
Nueces County, Texas

Parcel ID: A-3

[mcserrato@stwa.org](mailto:mcserrato@stwa.org)

---

**From:** mcserrato@stwa.org  
**Sent:** Monday, May 18, 2020 1:36 PM  
**To:** 'Bill Flickinger'  
**Cc:** 'Allison Nix'  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

That's fine. Carola

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

**From:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>  
**Sent:** Monday, May 18, 2020 12:05 PM  
**To:** Carola Serrato ([mcserrato@stwa.org](mailto:mcserrato@stwa.org)) <[mcserrato@stwa.org](mailto:mcserrato@stwa.org)>  
**Cc:** Allison Nix <[anix@wfaustin.com](mailto:anix@wfaustin.com)>  
**Subject:** FW: STX Meter Move STWA - City of Corpus Christi

Carola:

Is 2:30 p.m. on Thursday still clear for you? If so, I will respond and set up a Zoom 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](mailto:bflickinger@wfaustin.com)

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**From:** Lisa Aguilar [LGL] <LisaA@cctexas.com>  
**Sent:** Monday, May 18, 2020 11:55 AM  
**To:** Bill Flickinger <bflickinger@wfaustin.com>; mcgserrato@stwa.org  
**Cc:** Kevin Norton <KevinN@cctexas.com>; Wesley Nebgen <WesleyN@cctexas.com>; Gabriel Hinojosa <GabrieiH@cctexas.com>  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

Thursday afternoon between 2 – 4 are open. Shall we say 2:30?

Lisa Aguilar  
Assistant City Attorney  
City of Corpus Christi  
1201 Leopard Street  
Corpus Christi, Texas 78401  
(361) 826-3378  
Email: [lisa@cctexas.com](mailto:lisa@cctexas.com)

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**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Friday, May 15, 2020 4:55 PM  
**To:** Lisa Aguilar [LGL] <LisaA@cctexas.com>; mcgserrato@stwa.org  
**Cc:** Kevin Norton <KevinN@cctexas.com>; Wesley Nebgen <WesleyN@cctexas.com>; Gabriel Hinojosa <GabrieiH@cctexas.com>  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

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Dear Lisa:

Carola and I are available most anytime on Thursday, May 21, 2020 for a video/telephone conference. Please advise if a time that day will work for you and the City representatives. Once we have a date and time, I can set up a Zoom conference if that is acceptable.

We will be sure to provide a working redline draft prior to the conference. Thank you.

Very truly yours,

*Bill Flickinger*

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

**mcserrato@stwa.org**

---

**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Friday, May 22, 2020 8:49 AM  
**To:** Lisa Aguilar [LGL]; mcserrato@stwa.org  
**Cc:** Kevin Norton; Wesley Nebgen; Gabriel Hinojosa  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

Lisa:

We are ok with adding the sentence you propose.

Very truly yours,

*Bill Flickinger*

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

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

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

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**From:** Lisa Aguilar [LGL] <LisaA@cctexas.com>  
**Sent:** Friday, May 22, 2020 8:47 AM  
**To:** Bill Flickinger <bflickinger@wfaustin.com>; mcserrato@stwa.org  
**Cc:** Kevin Norton <KevinN@cctexas.com>; Wesley Nebgen <WesleyN@cctexas.com>; Gabriel Hinojosa <GabrielH@cctexas.com>  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

Good morning Bill,

One item I forgot to bring up was any estimate of the costs for the STWA engineer review. Do you have an estimate of what those costs might be? Could we insert a sentence the parties do not anticipate that the STWA engineer costs will exceed \$50,000.

Thank you,

Lisa Aguilar  
Assistant City Attorney  
City of Corpus Christi

1201 Leopard Street  
Corpus Christi, Texas 78401  
(361) 826-3378  
Email: [lisaa@cctexas.com](mailto:lisaa@cctexas.com)

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**From:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>  
**Sent:** Tuesday, May 19, 2020 4:48 PM  
**To:** Lisa Aguilar [LGL] <[LisaA@cctexas.com](mailto:LisaA@cctexas.com)>; [mogserrato@stwa.org](mailto:mogserrato@stwa.org)  
**Cc:** Kevin Norton <[KevinN@cctexas.com](mailto:KevinN@cctexas.com)>; Wesley Nebgen <[WesleyN@cctexas.com](mailto:WesleyN@cctexas.com)>; Gabriel Hinojosa <[GabrielH@cctexas.com](mailto:GabrielH@cctexas.com)>  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

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Dear Lisa:

Attached is our current redline draft of the purchase agreement. We can discuss the City's comments at our Zoom meeting on Thursday at 2:30 p.m.

I will also update the Zoom invite to include this draft as an attachment. Thank you.

Very truly yours,

*Bill Flickinger*

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

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

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

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**mcgserrato@stwa.org**

---

**From:** Gabriel Hinojosa <GabrielH@cctexas.com>  
**Sent:** Friday, May 22, 2020 8:59 AM  
**To:** Lisa Aguilar [LGL]; Bill Flickinger; mcgserrato@stwa.org  
**Cc:** Kevin Norton; Wesley Nebgen  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi  
**Attachments:** STWA Exhibit A.jpg; STWA Exhibit C.jpg

Team

Attached are the exhibits requested. Let me know if I need to make any changes.

Thanks,

GABRIEL HINOJOSA, P.E.  
UTILITIES ENGINEERING DESIGN MANAGER  
CITY OF CORPUS CHRISTI  
361-826-1877

**From:** Lisa Aguilar [LGL] <LisaA@cctexas.com>  
**Sent:** Friday, May 22, 2020 8:47 AM  
**To:** Bill Flickinger <bflickinger@wfaustin.com>; mcgserrato@stwa.org  
**Cc:** Kevin Norton <KevinN@cctexas.com>; Wesley Nebgen <WesleyN@cctexas.com>; Gabriel Hinojosa <GabrielH@cctexas.com>  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

Good morning Bill,

One item I forgot to bring up was any estimate of the costs for the STWA engineer review. Do you have an estimate of what those costs might be? Could we insert a sentence the parties do not anticipate that the STWA engineer costs will exceed \$50,000.

Thank you,

Lisa Aguilar  
Assistant City Attorney  
City of Corpus Christi  
1201 Leopard Street  
Corpus Christi, Texas 78401  
(361) 826-3378  
Email: [lisaa@cctexas.com](mailto:lisaa@cctexas.com)

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**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Tuesday, May 19, 2020 4:48 PM

**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Friday, May 22, 2020 10:41 AM  
**To:** Gabriel Hinojosa; Lisa Aguilar [LGL]; mcgserrato@stwa.org  
**Cc:** Kevin Norton; Wesley Nebgen  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

Lisa:

We are ok with the new exhibits. Do your people have any changes or comments prior to my assembling an execution document? Thank you.

Very truly yours,

*Bill Flickinger*

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

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

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

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**From:** Gabriel Hinojosa <GabrielH@cctexas.com>  
**Sent:** Friday, May 22, 2020 8:59 AM  
**To:** Lisa Aguilar [LGL] <LisaA@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; mcgserrato@stwa.org  
**Cc:** Kevin Norton <KevinN@cctexas.com>; Wesley Nebgen <WesleyN@cctexas.com>  
**Subject:** RE: STX Meter Move STWA - City of Corpus Christi

Team  
Attached are the exhibits requested. Let me know if I need to make any changes.

Thanks,

GABRIEL HINOJOSA, P.E.  
UTILITIES ENGINEERING DESIGN MANAGER  
CITY OF CORPUS CHRISTI  
361-826-1877



**ATTACHMENT 7**

**Banquete Pump Station Project**

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: Update on Banquete Pump Station (PS) to Serve the Nueces Water Supply Corporation (NWSC)

Background:

Final approval from the Texas Water Development Board has been received and construction of the new Banquete Pump Station can begin. This past weekend, JS Haren delivered a backhoe to the location and staff anticipates construction will begin shortly.

Analysis:

This is an update only. Staff will provide information as it becomes available.

Staff Recommendation:

Keep the Board updated on this project.

Board Action:

Provide feedback to staff.

Summarization:

As detailed in previous memos pertaining to the Nueces County Water Control and Improvement District #5 (NCWC&ID#5), this project is central to finalizing the NWSC and the NCWC&ID #5 contracts.

ATTACHMENT 8

Pumps at Banquete PS

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: Transfer of Title for Banquete PS pumps from Nueces Water Supply Corporation (NWSC)

### Background:

During the last Board meeting, the Board authorized staff to work with legal counsel in order to draft the necessary documents whereby the NWSC would transfer ownership of the existing pumps and associated controls to STWA. The transfer would occur once the new pump station is complete and in operation. Staff has confirmed a previously provided description of the facilities to Mr. Bill Flickinger, Willatt and Flickinger.

### Analysis:

As indicated in the last memo on this subject, STWA will accept title to the facilities in order that the Nueces County Water Control and Improvement District #5 (Banquete District #5) will ultimately own the existing pump station facilities. At this time, staff continues to request meetings with District #5 in order to finalize a wholesale water supply contract including the Bill of Sale for the facilities. The STWA Board will be presented with the Transfer of Title after the NWSC Board has provided its feedback on the document.

### Staff Recommendation:

Keep the Board updated on this matter.

### Board Action:

Provide feedback to staff.

### Summarization:

The Banquete District #5 Wholesale Water Supply Contract is the last contract of STWA's seven (7) wholesale customers needing to be executed. However, the transfer of the facilities will also allow for the completion of the NWSC's Wholesale Contract which originally called for the Banquete District #5 to share ownership of the existing pump station.

ATTACHMENT 9

NCWC&ID #5 Water Supply Contract and Operations and Maintenance Contract

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: Nueces County Water Control and Improvement District #5 (NCWC&ID #5) Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities

Background:

In the last memo on these subjects, staff indicated that both contracts were sent to Board President Alex Cavazos at the beginning of April. Staff also reported that the NCWC&ID#5 Board was scheduled to meet on Wednesday, May 13 according to Office Manager Anavi King. However, the meeting did not occur and staff has inquired when the next meeting is scheduled, see enclosed emails.

Analysis:

As you can see from the enclosed email, the NCWC&ID#5 has received an update on the status of the construction and transfer of facilities from the Nueces Water Supply Corporation (NWSC) to STWA. An offer to meet remotely with the NCWC&ID#5 is also made which staff hopes will facilitate the situation during the COVID-19 pandemic.

Staff Recommendation:

Keep the Board updated on negotiations.

Board Action:

Provide feedback to staff.

Summarization:

Staff continues to focus on the fact that this is the last Wholesale Water Supply Contract that requires execution – the requirement which is actually set by the TCEQ and applies to the NCWC&ID#5 needing to secure a water supply on behalf of their customers.

**mcserrato@stwa.org**

---

**From:** mcserrato@stwa.org  
**Sent:** Monday, May 18, 2020 10:28 AM  
**To:** NCWCID#5 (ncwcid5@aol.com); Alex Cavazos  
**Cc:** Bill Flickinger; Armando Yruegas; 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'  
**Subject:** FW: May Meeting

**Importance:** High

Good Morning Ms. King and Mr. Cavazos,

I am wondering if the meeting for May 13<sup>th</sup> has been rescheduled. The STWA Board will be meeting next Tuesday, May 26<sup>th</sup>. We are in the process of developing the meeting agenda and Board packet. I was hoping to provide an update on the NCWCID#5's Wholesale Water Supply Contract and M&O Agreement.

At this time, the STWA Board authorized staff to work with our legal counsel, Bill Flickinger, to draft a Transfer of Title document whereby the existing pumps and the pump controls are transferred from the Nueces Water Supply Corporation to STWA. This is after the NWSC Board agreed to gift those facilities to STWA contingent on the new pump station being operational. This weekend, equipment was delivered by JS Haren, the company selected by Nueces County to build the new station. There had been a delay in that contractor mobilizing due to the Texas Water Development Board needing to issue a final approval.

As before, STWA looks forward to working with the NCWCID#5 and we would be happy to arrange remote meetings to discuss the aforementioned contracts.

Please let me know when the next NCWCID#5 meeting is scheduled.

Thanks and Take Care,

Carola

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

**From:** mcserrato@stwa.org <mcserrato@stwa.org>  
**Sent:** Monday, May 11, 2020 12:44 PM  
**To:** NCWCID#5 (ncwcid5@aol.com) <ncwcid5@aol.com>  
**Cc:** Alex Cavazos <ac@beecroftconstruction.com>  
**Subject:** May Meeting

Good Afternoon Anavi,

I am wondering if the NCWCID#5 still plans on meeting this Wednesday? If so, will the meeting be held remotely?

Carola

Carola G. Serrato

Executive Director

**South Texas Water Authority**

2302 East Sage Rd

Kingsville, Texas 78363

361-592-9323 x112



ATTACHMENT 10  
Driscoll O&M Contract

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: City of Driscoll – Contract for Operation and Maintenance of Facilities (O&M Contract)

### Background:

Since the Driscoll City Council's authorization to execute the Wholesale Water Supply Contract on March 12<sup>th</sup>, there has not been any discussion with the City regarding the Contract for Operations and Maintenance of Facilities (O&M Contract). The Board will recall that the Wholesale Water Supply Contract included a Bill of Sale for the facilities servicing the City. However, the City had expressed concern that it would be unable to address any unexpected expenses and was interested in an O&M Contract. Enclosed are several emails pertaining to this matter.

### Analysis:

In the last memo on this matter, staff indicated that the City would need to provide feedback on the proposed Agreement if the City is truly interested in entering into an O&M Contract. However, given the City's execution of the Bill of Sale, the City needed to recognize that meaningful discussions were needed to demonstrate a genuine interest in such a contract. The latest email correspondence appears to indicate that the City is interested; however, Mr. Bill Flickinger and I have not received a response to the offered dates. Staff may have more to report at the Board meeting.

### Staff Recommendation:

Continue to communicate with the City.

### Board Action:

Determine whether any other action is needed pertaining to this contract.

### Summarization:

The City of Driscoll and the Nueces County Water Control and Improvement District #5 (Banquete) are the last two (2) entities of STWA's seven (7) wholesale customers that need to decide whether or not to enter into an O&M Contract. The other five (5) entities have accepted title to the facilities as well as the responsibilities.

**From:** mcserrato@stwa.org  
**Sent:** Friday, May 22, 2020 9:13 AM  
**To:** 'Roland Ramos'; 'Driscoll City Secretary'  
**Cc:** 'Bill Flickinger'; 'Mark Gonzalez'  
**Subject:** RE: Date to Meet  
**Attachments:** FY 19 Cost Allocation.xlsx

Roland,

Attached is a file which I believe is the type of information you may be requesting. I have Excel files dating back to FY 2007 which are similar, although the format has evolved through the years. What I cannot provide is a file with only "one-time maintenance costs that could potentially skew the average." However, with regards to the request, large expenditures could be found by reviewing the section in each month totaling the City's allocated costs. I feel compelled to add that STWA believes those large cost must still be considered in the calculation albeit as we discussed previously there is the argument that the cost could be averaged over a longer period of time as compared to say, five years.

When reviewing the file, please note that the allocations are based on running consumption averages. The allocations are also based on whether the expenditure is due to or benefits one entity or more than one entity. For example, in Driscoll, a repair at the Pump Station may be solely allocated to the City if it is for a pump used only by the City – there are two now owned by the City and two belonging to NWSC. There will be expenses at that station allocated to the City and the NWSC if it is a repair that benefits both parties. A good example is the yard piping tapped off the main line and into the GST and the bypass around the GST.

I would be happy to discuss the model with you. However, tonight is my mother-in-law's funeral service; so, I will be in the office only until after lunch.

Please let me know if you would like the other fiscal years' files.

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

**From:** Roland Ramos <rros@cityofdriscoll.com>  
**Sent:** Thursday, May 21, 2020 10:50 PM  
**To:** mcserrato@stwa.org; Driscoll City Secretary <citysecretary@cityofdriscoll.com>  
**Cc:** Bill Flickinger <bflickinger@wfaustin.com>; Mark Gonzalez <mgonzalez@cityofdriscoll.com>  
**Subject:** Re: Date to Meet

Mrs. Serrato,

My recollection from the City Council meeting is we were supposed to review any one-time maintenance costs that could potentially skew the average . Is it possible for you to provide historical maintenance costs for the facilities beforehand?

Thanks,

Roland

---

**From:** [mogserrato@stwa.org](mailto:mogserrato@stwa.org) <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>  
**Sent:** Thursday, May 21, 2020 4:51 PM  
**To:** Driscoll City Secretary <[citysecretary@cityofdriscoll.com](mailto:citysecretary@cityofdriscoll.com)>  
**Cc:** Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; Mark Gonzalez <[mgonzalez@cityofdriscoll.com](mailto:mgonzalez@cityofdriscoll.com)>; Roland Ramos <[rramos@cityofdriscoll.com](mailto:rramos@cityofdriscoll.com)>  
**Subject:** RE: Date to Meet

The Bishop City Council is meeting at 5:30 p.m. that day. At this time, I don't know if an item STWA has been asking the City to discuss is on their agenda. I will contact City Secretary Cynthia Contreras tomorrow. Regardless, I can stay on the call until about 5:15 pm. The City of Bishop is still meeting in person but with recommended distancing in a larger room.

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

**From:** Driscoll City Secretary <[citysecretary@cityofdriscoll.com](mailto:citysecretary@cityofdriscoll.com)>  
**Sent:** Thursday, May 21, 2020 4:40 PM  
**To:** Carola Serrato <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>  
**Subject:** Date to Meet

Good Afternoon Ms. Serrato,

The Mayor and Mr. Ramos would like to set the date to meet on May 27, 2020 @ 4:30 pm via teleconference. Please advise if this date and time is good for all participating party members ?

Thank You,

Armandina (Dina) Garcia  
[dgarcia@cityofdriscoll.com](mailto:dgarcia@cityofdriscoll.com)  
Interim City Secretary  
City of Driscoll  
P.O. Box 178 / 133 W. Dragon St.  
Driscoll, Texas 78351  
361-387-3011 x 105  
Fax 361-767-4430

**From:** mcserrato@stwa.org  
**Sent:** Thursday, May 14, 2020 4:23 PM  
**To:** 'Driscoll City Secretary'  
**Cc:** 'Roland Ramos'; Bill Flickinger; 'Mark Gonzalez'  
**Subject:** RE: Meeting Dates / MO Contract

Tracking:	Recipient	Read
	'Driscoll City Secretary'	
	'Roland Ramos'	
	Bill Flickinger	
	'Mark Gonzalez'	
	Driscoll City Secretary	Read: 5/14/2020 4:35 PM

Ms. Garcia,

Your email was forwarded to our legal counsel, Bill Flickinger. He has confirmed with Driscoll's attorney, Mike Morris, that Mr. Morris does not object to Mr. Flickinger participating in the meeting. Mr. Morris asks not to make a recording of the meeting.

I was not certain whether the City's representatives are interested in meeting in person or remotely using some type of meeting application/program. STWA has secured those services through Zoom. STWA can make the arrangement to invite persons to a meeting – which can be done without a recording. We have used the service for meetings with STWA, NWSC and RWSC Boards. It has been relatively simple and our Board members have used either a computer (with and without a camera) as well as their regular phones or smart phones to participate. It is done with either a link or a call-in number.

Mr. Flickinger and I prefer to meet remotely given the COVID-19 circumstances. However, I can meet City representatives at City Hall and Mr. Flickinger can be placed on speaker using my cell phone.

Mr. Flickinger has indicated that the best times for him are Tuesday, May 19 in the morning only, and anytime on May 21, 22 or 27. Those dates/times work for me as well.

BTW, we received payment for the April invoice (March water). Thank-you.

Please let me know what the City's preferences are for the meeting.

Sincerely,  
Carola

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

**From:** Driscoll City Secretary <citysecretary@cityofdriscoll.com>  
**Sent:** Wednesday, May 13, 2020 3:55 PM  
**To:** Carola Serrato <mcserrato@stwa.org>  
**Cc:** Roland Ramos <rrosamos@cityofdriscoll.com>  
**Subject:** Meeting Dates / MO Contract

Ms. Serrato,

Please advise of several available dates and time that the Mayor and Administrative Consultant can meet with you to go over the MO Contract for the City of Driscoll  
Once I receive available dates I will be able collaborate with the Mayor and Administrator to set up a date and time to meet and speak of the contract.  
Any additional questions, please contact me

Thank You,

Armandina (Dina) Garcia  
[dgarcia@cityofdriscoll.com](mailto:dgarcia@cityofdriscoll.com)  
Interim City Secretary  
City of Driscoll  
P.O. Box 178 / 133 W. Dragon St.  
Driscoll, Texas 78351  
361-387-3011 x 105  
Fax 361-767-4430

**mcgserrato@stwa.org**

---

**From:** Driscoll City Secretary <citysecretary@cityofdriscoll.com>  
**To:** mcgserrato@stwa.org  
**Sent:** Thursday, May 14, 2020 4:35 PM  
**Subject:** Read: RE: Meeting Dates / MO Contract

Your message

To: Driscoll City Secretary  
Subject: RE: Meeting Dates / MO Contract  
Sent: Thursday, May 14, 2020 4:23:11 PM (UTC-06:00) Central Time (US & Canada)

was read on Thursday, May 14, 2020 4:35:19 PM (UTC-06:00) Central Time (US & Canada).

**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Friday, May 8, 2020 3:36 PM  
**To:** Mike Morris (mgmorris@ohmlegal.net)  
**Cc:** Carola Serrato (mcserrato@stwa.org); Allison Nix  
**Subject:** FW: M&O Contract and Outstanding Invoices STWA - City of Driscoll  
**Attachments:** Driscoll Emails Mar and Apr 2020.pdf  
  
**Importance:** High

Dear Mike:

I hope you and your family are safe and well.

As you will recall our firm represents the South Texas Water Authority and we communicated last fall regarding your client the City of Driscoll.

Please review the email below. It has been over a month since the Authority has received any communication from the City. You will also note the significant amount past due.

Could you please assist us in establishing communication with the City? We obviously would like to collect the past due amounts from the City soon. The total lack of communication is causing serious concern at this point and we are unsure if anyone is at City Hall or if anyone is checking messages.

We would appreciate any help you can provide. Thank you.

Very truly yours,

*Bill Flickinger*

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

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

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

**CONFIDENTIALITY NOTICE:** This email transmission (and/or the attachments which accompany it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege. The information is intended only for the use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. Any unauthorized interception of this transmission is illegal under the law. If you have received this transmission in error, please promptly notify the sender by reply email, and then destroy all copies of the transmission. Thank you.

**From:** mcserrato@stwa.org <mcserrato@stwa.org>  
**Sent:** Friday, May 8, 2020 2:47 PM  
**To:** Roland Ramos <rramos@cityofdriscoll.com>; 'Mark Gonzalez' <mgonzalez@cityofdriscoll.com>  
**Cc:** Bill Flickinger <bflickinger@wfaustin.com>; Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales



<fvrosales@stwa.org>

**Subject:** M&O Contract and Outstanding Invoices

**Importance:** High

Mayor Gonzalez and Mr. Ramos,

This is a follow-up on two (2) items: the M&O Contract and outstanding invoices.

1. Since the City met on March 12 and approved the Water Supply Contract, our office has not received any additional correspondence regarding the Maintenance Contract despite offers to meet with City representatives including meeting remotely. It was anticipated that there would be active, ongoing negotiations which the STWA Board would perceive as the City having a genuine interest in entering into a contract for the services. As part of the Wholesale Water Supply Contract, the City accepted title to the facilities providing service to the City. Without any meaningful discussion on the M&O contract, I believe the STWA Board will consider the M&O Contract/matter closed and the City responsible for those facilities.
2. Emails have been sent regarding the City's past due balance which as of today is \$123,612.91. This does not include the invoice for April's water which is on my desk for review and will likely be processed and mailed on Monday, May 11<sup>th</sup>. The City's most recent payment was in February; however, it was for September 2019 water. In a recent email (attached), I requested an update on this matter. To date, no response has been received other than to indicate that Mayor Gonzalez would be asked on how to proceed. Finance Manager Jo Ella Wagner and I have made periodic calls to the City's 361-387-3011 number in order to speak to someone in person. Unfortunately, the number often goes unanswered and voice mail messages do not result in a return call. Please let us know when some type of payment will be received, preferably a payment of at least ½ of the outstanding balance.

In closing, I trust that the City agrees that these matters are critical in nature and a response is warranted.

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

2302 East Sage Rd  
Kingsville, Texas 78363  
361-592-9323 x112

**From:** [mogserrato@stwa.org](mailto:mogserrato@stwa.org) <[mogserrato@stwa.org](mailto:mogserrato@stwa.org)>

**Sent:** Monday, April 20, 2020 3:34 PM

**To:** Roland Ramos ([rrosamos@cityofdriscoll.com](mailto:rrosamos@cityofdriscoll.com)) <[rrosamos@cityofdriscoll.com](mailto:rrosamos@cityofdriscoll.com)>

**Cc:** 'Mark Gonzalez' <[mgonzalez@cityofdriscoll.com](mailto:mgonzalez@cityofdriscoll.com)>; Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>

**Subject:** Follow-up on M&O Contract and Update on Wholesale Water Supply Contract

Roland,

Just a quick email to let you know that the South Texas Water Authority Board is meeting on Tuesday, April 28<sup>th</sup> at 5:35 p.m. immediately following a public hearing. The meeting will be held using remote technology with a call-in number. One of the items on the agenda is the Maintenance and Operations Contract with the City of Driscoll. Please let me know if the City has made any decisions on the matter. At this time, my draft memo states that there are no developments to report.

The Board will also receive an update on the executed Wholesale Water Supply Contract and Bill of Sale.

As before, STWA's legal counsel and I can make arrangements to discuss the contract with City representatives, including meeting remotely.

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

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

**From:** mcserrato@stwa.org  
**Sent:** Friday, May 8, 2020 2:47 PM  
**To:** Roland Ramos (rramos@cityofdriscoll.com); 'Mark Gonzalez'  
**Cc:** Bill Flickinger; Jo Ella Wagner; Frances Rosales  
**Subject:** M&O Contract and Outstanding Invoices  
**Attachments:** Driscoll Emails Mar and Apr 2020.pdf

**Importance:** High

<b>Tracking:</b>	<b>Recipient</b>	<b>Read</b>
	Roland Ramos (rramos@cityofdriscoll.com)	
	'Mark Gonzalez'	
	Bill Flickinger	
	Jo Ella Wagner	
	Frances Rosales	
	Frances Rosales - De Leon	Read: 5/8/2020 3:47 PM

Mayor Gonzalez and Mr. Ramos,

This is a follow-up on two (2) items: the M&O Contract and outstanding invoices.

1. Since the City met on March 12 and approved the Water Supply Contract, our office has not received any additional correspondence regarding the Maintenance Contract despite offers to meet with City representatives including meeting remotely. It was anticipated that there would be active, ongoing negotiations which the STWA Board would perceive as the City having a genuine interest in entering into a contract for the services. As part of the Wholesale Water Supply Contract, the City accepted title to the facilities providing service to the City. Without any meaningful discussion on the M&O contract, I believe the STWA Board will consider the M&O Contract/matter closed and the City responsible for those facilities.
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Carola G. Serrato  
Executive Director  
**South Texas Water Authority**  
2302 East Sage Rd  
Kingsville, Texas 78363  
361-592-9323 x112

**From:** mcserrato@stwa.org <mcserrato@stwa.org>  
**Sent:** Monday, April 20, 2020 3:34 PM

**To:** Roland Ramos (rramos@cityofdriscoll.com) <rramos@cityofdriscoll.com>  
**Cc:** 'Mark Gonzalez' <mgonzalez@cityofdriscoll.com>; Bill Flickinger <bflickinger@wfaustin.com>  
**Subject:** Follow-up on M&O Contract and Update on Wholesale Water Supply Contract

Roland,

Just a quick email to let you know that the South Texas Water Authority Board is meeting on Tuesday, April 28<sup>th</sup> at 5:35 p.m. immediately following a public hearing. The meeting will be held using remote technology with a call-in number. One of the items on the agenda is the Maintenance and Operations Contract with the City of Driscoll. Please let me know if the City has made any decisions on the matter. At this time, my draft memo states that there are no developments to report.

The Board will also receive an update on the executed Wholesale Water Supply Contract and Bill of Sale.

As before, STWA's legal counsel and I can make arrangements to discuss the contract with City representatives, including meeting remotely.

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

mcserrato@stwa.org

---

**From:** Mark Gonzalez <mgonzalez@cityofdriscoll.com>  
**To:** mcserrato@stwa.org  
**Sent:** Saturday, May 9, 2020 8:44 PM  
**Subject:** Read: M&O Contract and Outstanding Invoices

Your message

To: Mark Gonzalez  
Subject: M&O Contract and Outstanding Invoices  
Sent: Friday, May 8, 2020 12:46:49 PM (UTC-07:00) Arizona

was read on Saturday, May 9, 2020 6:44:07 PM (UTC-07:00) Arizona.

**mcserrato@stwa.org**

---

**From:** Roland Ramos <rros@cityofdriscoll.com>  
**Sent:** Friday, April 3, 2020 12:54 PM  
**To:** mcserrato@stwa.org  
**Cc:** Mark Gonzalez; Frances Rosales; Jo Ella Wagner  
**Subject:** Re: Executed Contract - Wholesale Water Supply - Outstanding Invoices

Carola,

The staff has been working remotely for most of this week. Is it possible for us to avoid the Incremental Fees if it's hand-delivered to you on Monday?

Please advise.

Thanks,  
Roland

---

**From:** mcserrato@stwa.org <mcserrato@stwa.org>  
**Sent:** Thursday, April 2, 2020 5:44 PM  
**To:** Roland Ramos <rros@cityofdriscoll.com>  
**Cc:** Mark Gonzalez <mgonzalez@cityofdriscoll.com>; Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>  
**Subject:** RE: Executed Contract - Wholesale Water Supply - Outstanding Invoices

Roland,

We still have not received the contract. Hopefully it will come in by tomorrow. Yesterday, master meters were read for March's invoice. Frances will be working on those invoices and they should go out next week.

I have copied Mayor Gonzalez on this email. Please let me know about the City's plans to get current on the past due invoices.

Carola

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

**From:** Roland Ramos <rros@cityofdriscoll.com>  
**Sent:** Tuesday, March 31, 2020 3:14 PM  
**To:** mcserrato@stwa.org  
**Subject:** Re: Executed Contract - Wholesale Water Supply - Outstanding Invoices

Hi Carola,

I spoke to Dina regarding the return of the Wholesale Water Supply Contract and she will be mailing you the executed copy today.

In regards to the outstanding invoices, I'm going to discuss with the Mayor on how he wishes to proceed.

Thanks,  
Roland

---

**From:** [mcserrato@stwa.org](mailto:mcserrato@stwa.org) <[mcserrato@stwa.org](mailto:mcserrato@stwa.org)>  
**Sent:** Friday, March 27, 2020 5:05 PM  
**To:** Roland Ramos <[rrosamos@cityofdriscoll.com](mailto:rrosamos@cityofdriscoll.com)>; Driscoll City Secretary <[citysecretary@cityofdriscoll.com](mailto:citysecretary@cityofdriscoll.com)>; Mark Gonzalez <[mgonzalez@cityofdriscoll.com](mailto:mgonzalez@cityofdriscoll.com)>  
**Cc:** Armando Yruegas <[ayruegas@stwa.org](mailto:ayruegas@stwa.org)>; 'Dony Cantu' <[dcantu@stwa.org](mailto:dcantu@stwa.org)>; 'Frances Rosales' <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; 'Jo Ella Wagner' <[jwagner@stwa.org](mailto:jwagner@stwa.org)>  
**Subject:** Executed Contract - Wholesale Water Supply - Outstanding Invoices

Good Afternoon,

This is a follow-up to my conversations with Dina regarding the Wholesale Water Supply Contract. Two (2) originals were hand delivered to Dina shortly after the Council approved the contract on March 12<sup>th</sup>. I spoke with Dina yesterday to inquire about it being returned in order for the STWA President and Secretary/Treasurer to also execute. The contract needs to be returned in order for the City to avoid paying the Incremental Fees. Please let us know if there are any questions regarding the execution of the contract.

In addition, we would appreciate an update on the payment of the outstanding invoices. Our records indicate that there are five (5) months outstanding including the most recent bill sent in March for February usage.

Thank-you and Have a Safe Weekend – Remembering Social Distancing,

Carola

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

ATTACHMENT 11

Chloramine Booster Station – Kingsville/Ricardo



## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: Kingsville – Ricardo Water Supply Corporation – Transfer of Chloramine injection points

### Background:

Mr. Sherrel Mercer, Mercer Controls (Mercer), has been in contact with Armando Yruegas, O&M Supervisor. However, as of last week Mercer was still waiting on the last of materials and equipment to arrive.

### Analysis:

The Board will recall this project was recommended by TCEQ Texas Optimization Program (TOP) staff when they performed field studies on the 42" line, reviewed residuals and attempted to pinpoint the reasons for disinfection by-products problems experienced by the Nueces and Ricardo Water Supply Corporations.

### Staff Recommendation:

This is an update only.

### Board Action:

Provide feedback to staff.

### Summarization:

Last month as part of this agenda item, staff provided information on the daily residuals for Total Chlorine, Free Chlorine, Monochloramines and Free Available Ammonia collected at the Driscoll Booster (prior to boosting), just south of the Driscoll Booster at Avenue G, about a mile south of the booster station at CR 16 and at the Kingsville Meter Run (prior to boosting). The residuals have been well above the required 0.50 mg of Total Chlorine. These residuals continue as of today. However, the residuals south of Kingsville and immediately upstream of the Ricardo PS #1 and Ricardo PS #2, although meeting the required minimum, have room for improvement.

KI-RWSC Chloramine Injection Point Project

05/18/20

Page 2 of 2

	Driscoll Booster Station				BEFORE				AFTER - AVE G				Downstream - CR 16				Kingsville Prior to Inj.			
	Day	Total	Free	Mono	FAA	Total	Free	Mono	FAA	Total	Free	Mono	FAA	Total	Free	Mono	FAA			
Auto	Sunday, March 22, 2020	2.06	0.07	1.94	0.26	4.50	0.37	3.19	0.05	3.01	0.23	2.98	0.05	2.86	0.19	1.75	0.08	1.61	0.24	
Auto	Monday, March 23, 2020	1.99	0.09	1.86	0.26	4.50	0.37	3.13	0.08	3.02	0.17	2.56	0.10	2.70	0.21	1.64	0.08	1.63	0.23	
Auto	Tuesday, March 24, 2020	2.08	0.05	2.05	0.16	4.50	0.37	2.81	0.06	2.78	0.06	2.67	0.08	2.62	0.11	1.65	0.07	1.57	0.18	
Auto	Wednesday, March 25, 2020	2.12	0.04	2.10	0.20	4.50	0.37	2.99	0.06	2.94	0.10	2.17	0.06	2.12	0.09	1.56	0.03	1.54	0.23	
Auto	Thursday, March 26, 2020	2.22	0.09	2.16	0.17	4.50	0.37	3.21	0.07	2.88	0.21	2.41	0.08	2.21	0.23	1.21	0.05	1.10	0.24	
Auto	Friday, March 27, 2020	2.05	0.10	1.87	0.18	4.50	0.37	2.88	0.08	2.84	0.22	2.64	0.09	2.56	0.26	1.74	0.04	1.62	0.21	
Auto	Saturday, March 28, 2020	2.07	0.04	1.96	0.14	4.50	0.35	2.91	0.03	2.61	0.02	2.14	0.06	2.25	0.10	1.44	0.01	1.32	0.17	
Auto	Sunday, March 29, 2020	2.26	0.02	2.12	0.16	4.50	0.35	2.97	0.04	2.77	0.04	2.55	0.05	2.31	0.09	1.52	0.02	1.44	0.15	
Auto	Monday, March 30, 2020	2.11	0.08	2.01	0.29	4.50	0.35	3.22	0.06	3.20	0.21	2.59	0.09	2.63	0.26	1.71	0.04	1.54	0.24	
Auto	Tuesday, March 31, 2020	2.14	0.09	2.08	0.17	4.50	0.37	2.79	0.11	2.62	0.10	2.76	0.10	2.39	0.16	1.81	0.05	1.59	0.19	
Auto	Wednesday, April 1, 2020	1.99	0.08	1.78	0.26	4.50	0.37	2.26	0.09	2.12	0.14	2.35	0.10	2.38	0.18	1.69	0.04	1.48	0.22	
Auto	Thursday, April 2, 2020	2.05	0.09	1.96	0.23	4.50	0.40	2.86	0.08	2.82	0.17	2.46	0.10	2.28	0.21	1.76	0.05	1.51	0.25	
Auto	Friday, April 3, 2020	2.66	0.07	2.45	0.26	4.50	0.40	3.33	0.09	3.18	0.12	3.15	0.10	3.22	0.18	1.58	0.04	1.24	0.22	
Auto	Saturday, April 4, 2020	2.70	0.08	3.09	0.11	4.50	0.35	3.22	0.03	3.57	0.00	2.67	0.12	2.73	0.05	1.61	0.06	1.49	0.12	
Auto	Sunday, April 5, 2020	2.68	0.05	2.63	0.16	4.50	0.35	3.45	0.07	3.42	0.06	2.33	0.04	2.32	0.07	1.69	0.11	1.63	0.16	
Auto	Monday, April 6, 2020	2.41	0.07	2.37	0.18	4.50	0.35	2.97	0.08	3.08	0.18	2.56	0.10	2.47	0.22	1.73	0.06	1.48	0.25	
Auto	Tuesday, April 7, 2020	2.44	0.08	2.36	0.21	4.50	0.35	3.05	0.11	2.97	0.12	2.88	0.16	2.81	0.17	1.49	0.03	1.32	0.17	
Auto	Wednesday, April 8, 2020	2.44	0.04	2.35	0.12	4.50	0.35	3.23	0.03	3.15	0.09	2.97	0.07	2.93	0.08	2.07	0.02	2.04	0.14	
Auto	Thursday, April 9, 2020	2.39	0.05	2.21	0.19	4.50	0.35	3.35	0.05	3.13	0.26	2.89	0.06	2.71	0.14	1.56	0.03	1.31	0.22	
Auto	Friday, April 10, 2020	2.67	0.07	2.46	0.22	4.50	0.35	3.18	0.07	3.12	0.09	2.89	0.08	2.76	0.12	1.48	0.09	1.45	0.19	
Auto	Saturday, April 11, 2020	2.23	0.06	2.19	0.15	4.50	0.35	2.72	0.02	2.98	0.12	2.72	0.04	2.77	0.19	1.35	0.08	1.36	0.12	
Auto	Sunday, April 12, 2020	2.16	0.07	2.08	0.18	4.50	0.35	2.99	0.09	2.86	0.15	2.80	0.06	2.62	0.18	1.46	0.08	1.49	0.16	
Auto	Monday, April 13, 2020	2.38	0.03	2.38	0.17	4.50	0.35	3.03	0.01	2.99	0.05	2.94	0.07	2.92	0.07	2.03	0.04	1.91	0.15	
Auto	Tuesday, April 14, 2020	2.55	0.06	2.39	0.34	4.50	0.30	3.44	0.05	3.40	0.18	3.01	0.05	2.94	0.24	2.17	0.05	2.10	0.30	
Auto	Wednesday, April 15, 2020	2.43	0.04	2.60	0.15	4.50	0.32	3.45	0.01	3.45	0.14	2.97	0.07	2.88	0.10	1.85	0.03	1.78	0.17	
Auto	Thursday, April 16, 2020	2.45	0.07	2.26	0.17	4.50	0.32	3.02	0.08	3.06	0.12	3.07	0.08	3.06	0.12	1.90	0.06	1.75	0.20	
Auto	Friday, April 17, 2020	2.33	0.08	2.18	0.19	4.50	0.32	3.19	0.08	3.12	0.14	2.93	0.09	2.82	0.18	1.65	0.11	1.48	0.17	
Auto	Saturday, April 18, 2020	2.46	0.04	2.31	0.36	4.50	0.32	3.13	0.06	2.96	0.21	2.96	0.07	2.89	0.26	2.03	0.05	1.96	0.20	
Auto	Sunday, April 19, 2020	2.61	0.03	2.54	0.28	4.50	0.32	3.21	0.06	3.05	0.20	3.08	0.05	2.88	0.31	1.43	0.05	1.22	0.24	
Auto	Monday, April 20, 2020	2.41	0.08	2.41	0.14	4.50	0.33	3.16	0.07	3.04	0.12	2.86	0.08	2.72	0.19	2.04	0.07	1.99	0.15	
Auto	Tuesday, April 21, 2020	2.58	0.08	2.49	0.18	4.50	0.33	2.96	0.08	2.84	0.12	3.17	0.07	3.01	0.17	2.22	0.08	2.18	0.16	
Auto	Wednesday, April 22, 2020	2.63	0.09	2.70	0.17	4.50	0.33	2.82	0.08	2.69	0.11	2.89	0.07	2.74	0.15	1.94	0.07	1.84	0.16	
Auto	Thursday, April 23, 2020	2.48	0.08	2.32	0.17	4.50	0.33	2.67	0.07	2.56	0.12	2.93	0.09	2.89	0.16	1.70	0.07	1.57	0.18	
Auto	Friday, April 24, 2020	2.64	0.07	2.52	0.18	4.50	0.32	3.19	0.08	3.12	0.11	2.95	0.09	2.89	0.16	2.03	0.08	1.87	0.17	
Auto	Saturday, April 25, 2020	2.72	0.05	2.65	0.12	4.50	0.30	3.56	0.02	3.48	0.08	3.48	0.06	3.26	0.16	2.44	0.00	2.39	0.12	
Auto	Sunday, April 26, 2020	2.62	0.04	2.57	0.17	4.50	0.30	3.46	0.01	3.30	0.08	3.27	0.05	3.20	0.16	2.42	0.01	2.35	0.14	
Auto	Monday, April 27, 2020	2.24	0.08	2.09	0.18	4.50	0.30	2.89	0.07	2.94	0.11	2.86	0.08	2.78	0.14	1.42	0.07	1.27	0.17	
Auto	Tuesday, April 28, 2020	2.21	0.08	2.12	0.16	4.50	0.33	2.98	0.08	2.84	0.12	3.12	0.09	3.08	0.18	1.20	0.09	1.03	0.24	
Auto	Wednesday, April 29, 2020	2.56	0.08	2.42	0.17	4.50	0.33	3.20	0.07	3.12	0.11	2.85	0.09	2.71	0.14	1.62	0.07	1.51	0.16	
Auto	Thursday, April 30, 2020	2.39	0.07	2.36	0.18	4.50	0.33	3.26	0.08	3.18	0.12	2.90	0.08	2.79	0.16	2.30	0.11	1.94	0.15	
Auto	Friday, May 1, 2020	2.48	0.07	2.37	0.18	4.50	0.35	3.62	0.09	3.67	0.11	3.14	0.08	3.09	0.16	2.40	0.14	2.50	0.16	
Auto	Saturday, May 2, 2020	2.46	0.09	2.32	0.16	4.50	0.35	3.29	0.07	3.26	0.10	3.08	0.08	3.01	0.14	2.50	0.11	2.20	0.21	
Auto	Sunday, May 3, 2020	2.42	0.08	2.32	0.16	4.50	0.35	3.48	0.09	3.39	0.10	3.12	0.07	3.02	0.17	1.65	0.14	1.59	0.18	
Auto	Monday, May 4, 2020	2.53	0.08	2.46	0.19	4.50	0.35	2.94	0.07	2.79	0.11	3.08	0.09	2.98	0.15	2.05	0.12	1.55	0.21	
Auto	Tuesday, May 5, 2020	2.28	0.07	2.12	0.18	4.50	0.35	3.17	0.08	3.08	0.11	2.89	0.07	2.71	0.16	1.50	0.09	1.20	0.20	
Auto	Wednesday, May 6, 2020	2.34	0.08	2.21	0.18	4.50	0.35	3.14	0.09	3.02	0.12	2.70	0.08	2.59	0.15	1.13	0.09	1.14	0.20	
Auto	Thursday, May 7, 2020	2.12	0.08	2.01	0.17	4.50	0.35	3.36	0.07	3.23	0.11	2.68	0.09	2.47	0.16	1.30	0.11	1.17	0.22	
Auto	Friday, May 8, 2020	2.61	0.05	2.36	0.29	4.50	0.35	3.24	0.06	3.05	0.21	2.97	0.05	2.75	0.26	2.24	0.04	2.22	0.20	
Auto	Saturday, May 9, 2020	2.39	0.05	2.21	0.24	4.50	0.35	3.02	0.05	2.71	0.28	3.13	0.07	2.85	0.19	2.20	0.12	1.60	0.24	
Auto	Sunday, May 10, 2020	2.38	0.07	2.32	0.21	4.50	0.35	3.67	0.07	3.52	0.16	3.07	0.08	2.97	0.12	2.10	0.16	1.70	0.22	
Auto	Monday, May 11, 2020	2.36	0.09	2.21	0.16	4.50	0.35	3.34	0.07	3.18	0.12	2.87	0.08	2.58	0.08	1.83	0.08	1.55	0.05	
Auto	Tuesday, May 12, 2020	2.27	0.08	2.16	0.17	4.50	0.30	3.11	0.07	3.01	0.10	3.06	0.08	2.93	0.15	2.00	0.12	1.90	0.20	
Auto	Wednesday, May 13, 2020	2.38	0.08	2.26	0.20	4.50	0.30	3.11	0.08	3.02	0.14	2.84	0.09	2.72	0.16	2.10	0.13	2.40	0.20	
Auto	Thursday, May 14, 2020	2.42	0.07	2.32	0.22	4.50	0.30	3.11	0.08	3.05	0.15	2.92	0.07	2.85	0.18	2.20	0.16	2.16	0.21	
Auto	Friday, May 15, 2020	2.43	0.07	2.46	0.18	4.50	0.30	3.21	0.09	3.16	0.11	2.91	0.08	2.81	0.15	2.20	0.16	2.16	0.21	
	Repeat-May 15 in pm - Kingsville																			
Auto	Saturday, May 16, 2020	2.29	0.08	2.16	0.18	4.50	0.30	3.23	0.07	3.15	0.10	2.76	0.09	2.62	0.13	2.40	0.16	2.30	0.30	
Auto	Sunday, May 17, 2020	2.26	0.08	2.12	0.21	4.50	0.30	3.32	0.07	3.24	0.16	2.89	0.08	2.76	0.18	2.00	0.15	0.65	0.32	
Auto	Monday, May 18, 2020	3.42	0.08	2.32	0.22	4.50	0.30	3.46	0.07	3.31	0.12	3.06	0.08	2.98	0.16	2.40	0.12	1.89	0.21	

ATTACHMENT 12

NewGen Strategies

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 19, 2020  
Re: NewGen Strategies and Solutions Consultant Services Associated with the City of Corpus Christi  
Annual Rate "true-up"

Background:

As the Board is aware, the Settlement Agreement with the City of Corpus Christi provides for a review of the City's rate model and true-up of the City's rates in the event the City has either over- or under-charged its wholesale customers including the San Pat Municipal Water District (SPMWD) and the Nueces County Water Control and Improvement District #4 (NCWC&ID#4) in Port Aransas. Previously, STWA, SPMWD and NCWC&ID#4 have shared the consultant's cost to review the model and analyze the true-up. In the last couple of years, STWA and NCWCID#4 have shared the cost. Staff will be contacting Corpus Christi staff on when to expect the City's updated rate model. It is unknown whether COVID-19 has affected the updating of the model. The Board will also recall that the City uses January 1<sup>st</sup> to implement new rates.

Analysis:

Staff contacted Chris Ekrut, NewGen Strategies, regarding recent news from the City of Corpus Christi pertaining to a debt refunding which, depending on the timing, may be reflected in this summer's rate model. As part of his response, Mr. Ekrut provided the attached proposal. The proposal cost is written as a not to exceed \$3,000 without prior approval. This is the same cost as last year and, as before, Mr. Ekrut has indicated the cost will be shared with NCWC&ID #4 if that entity decides to participate. It should be noted that there is a slight increase in the Billing Rates from 2019 to 2020 ranging from \$10/hr. for an administrative assistant to \$40/hr. for the President/CEO. Mr. Ekrut as the project manager and a NewGen Director would be charging a fee \$20/hr. higher than last year. However, the proposal also indicates that NewGen staff will be assisting Mr. Ekrut and rate increases for other consultants and analysts range from \$10 - \$20. In conclusion, Jo Ella Wagner, Finance Manager, and I have been pleased with the past services of NewGen.

Staff Recommendation:

Authorize staff to execute the service agreement with NewGen Strategies and Solutions in an amount not to exceed \$3,000 for review of Corpus Christi's Rates and Model.

Board Action:

Determine whether to authorize staff to execute the service agreement with NewGen Strategies and Solutions in an amount not to exceed \$3,000 for review of Corpus Christi's Rates and Model.

Summarization:

The true-up is intended to ensure that the City's proposed allocated and budgeted expenses are applied properly to STWA's wholesale rates (raw and treated) as well as the proper application to our rates of any overcharges or undercharges.



275 W Campbell Rd  
Suite 440  
Richardson, TX 75080  
Phone: (972) 680-2000  
Fax: (972) 680-2007

May 19, 2020

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

**Subject: Agreement to Review Corpus Christi Rate and Model Review**

Dear Ms. Serrato:

Based on our prior conversations, NewGen Strategies and Solutions, LLC ("NewGen") is pleased to propose our assistance to the South Texas Water Authority ("STWA") in reviewing the FY 2021 Corpus Christi ("City") Rate Model, Budget, and True-up Calculations as prepared specific to the rate to be charged to STWA. Based on our understanding of the requested engagement, we propose that the scope of services for this review include the following:

- Gather the necessary information from the City including, but not limited to, copies of their proposed budget and proposed water rate models;
- Review the proposed budget and model to ensure calculations have been prepared in accordance with agreements between STWA and the City and to discern any significant differences or variances that merit further review. To the extent questions arise, coordinate with STWA and the City to receive satisfactory answers regarding these questions;
- Provide the consultant's opinion of the calculations and any associated recommendations to STWA staff and Board, as applicable;
- Participate in meetings as necessary with either STWA and/or the City to explain the report's findings and/or answer any questions that may exist; and,
- Other services as may be requested.

For this engagement, Mr. Chris Ekrut will be responsible for providing the requested services. Mr. Ekrut has a long history of reviewing the rate models prepared by the City and is well-versed in the City's rate calculation methodologies. While Mr. Ekrut will be the primary provider of services to STWA, in an effort to provide the requested services in the most timely and cost-effective manner, Mr. Ekrut may be assisted from time to time by staff members of NewGen. As Project Manager, Mr. Ekrut will be responsible for ensuring that any staff member assisting on this project possess the qualifications and competency necessary to ensure the analysis conducted meets the goals and objectives of STWA and that all work product exceeds STWA's expectations.

Mr. Ekrut will coordinate and will work at the direction of Ms. Serrato and/or her designee during the course of the engagement. Given that the exact level of effort for the engagement is not known, NewGen proposes to bill STWA based on time incurred at our then applicable hourly billing rates as well as expenses based on actual cost incurred. **However, the services provided by NewGen will not exceed \$3,000 without the express written permission of STWA.** Please note that NewGen may also be assisting the Nueces County Water Control and Improvement District No. 4 in the same review of the Corpus Christi models and calculations. All time charges will be split equally between STWA and NCWCID No. 4, but charges to each entity will not exceed \$3,000 without written permission.

NewGen invoices its clients monthly for actual services performed plus out-of-pocket expenses incurred at cost. Payment is due within thirty (30) days of the invoice date. Our standard hourly billing rates, which are effective through December 31, 2020, are as follows:

**NewGen Strategies & Solutions  
2020 Billing Rates**

Position	Billing Rate
President/CEO	\$345
Managing Director/Executive Vice President	\$290 - \$345
Director/Vice President/Executive Consultant	\$215 - \$290
Senior Consultant	\$185 - \$215
Staff Consultant	\$165 - \$185
Analyst	\$130 - \$165
Administrative Assistant	\$100

Note: Billing rates are subject to change based on annual reviews and salary increases.

This agreement is subject to cancellation within thirty (30) days prior written notice provided to NewGen. In the event of cancellation, all labor and expense charges incurred by NewGen through the date of cancellation will be considered due at the time notice of cancellation is delivered, regardless of work product and/or engagement status.

In executing this letter, you agree that the services rendered by NewGen will be performed in accordance with instructions or specifications received by STWA and will be provided with the degree of skill and judgment exercised by recognized professionals performing services of similar nature and consistent with the applicable industry best practices. You further agree that compensation for services rendered will be provided to NewGen regardless of the final recommendations and/or Board acceptance of final recommendations resulting from the work conducted.

NewGen looks forward to assisting STWA in this engagement and appreciates this opportunity. If this letter is in agreement with your understanding of the scope of services to be provided, and our proposal terms and conditions are acceptable, please execute one copy and return to our Richardson, Texas office. If you have any questions, please feel free to contact Mr. Chris Ekrut at 972-232-2234 or via email at [cekrut@newgenstrategies.net](mailto:cekrut@newgenstrategies.net).

Ms. Carola Serrato  
May 19, 2020  
Page 3

Very truly yours,

**NewGen Strategies and Solutions, LLC**



Chris Ekrut  
Director, Environmental Practice

**South Texas Water Authority**

Signed \_\_\_\_\_

Printed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

ATTACHMENT 13

TCAP



Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 20, 2020  
Re: Strategic Hedging Program (SHP) – TCAP Contract for Services – Commercial Electricity Service Agreement (CESA)

Background:

These contracts have been tabled by the Board during the last two (2) meetings.

Analysis:

As before, there are the two (2) agreements that must be executed if STWA decides to participate in SHP. TCAP has stated that there is a positive energy supply outlook and the SHP should produce better prices for its members. In addition, TCAP has stated that there will be two (2) months each year, June and December, when members can switch from SHP to a fixed contract.

Staff Recommendation:

Consider approving participation in the Strategic Hedging Program by authorizing the execution of the two (2) necessary contracts.

Board Action:

Determine whether to participate in SHP or remain on a fixed pricing program. If selecting SHP, authorize execution of the contracts between TCAP/STWA and STWA/GEXA.

Summarization:

Finally, TCAP has stated that a decision to utilize SHP for energy purchases must be made by September of this year.

|

The following members have passed SHP for the 2023 contract term:

Aquilla Water District

Benbrook Library District

Calhoun Port Authority

City of Aubrey

City of Benbrook

City of Brownwood

City of Dalworthington Gardens

City of Dublin

City of Duncanville

City of Everman

City of Harker Heights

City of Kingsville

City of Lyford

City of Ovilla

City of Pleasanton

City of Prosper

City of Roanoke

City of Robinson

City of Sinton

City of Springtown

City of Watauga

ATTACHMENT 14

Resolution 20-07

**RESOLUTION 20-07**

**RESOLUTION OF THE SOUTH TEXAS WATER  
AUTHORITY ADOPTING TCAP'S PROFESSIONAL  
SERVICES AGREEMENT AND GEXA ENERGY'S  
COMMERCIAL ELECTRIC SERVICE AGREEMENT FOR  
POWER TO BE PROVIDED ON AND AFTER JANUARY 1,  
2023**

**WHEREAS**, the South Texas Water Authority ("Authority") is a member of Texas Coalition For Affordable Power, Inc. ("TCAP"), a non-profit, political subdivision corporation of the State of Texas; and

**WHEREAS**, TCAP has previously arranged for the Authority to purchase power through Gexa Energy with a contract set to expire December 31, 2022; and

**WHEREAS**, TCAP has designed a new procurement strategy that will involve TCAP initially committing to purchase power two years in advance of delivery on behalf of its members who desire participation in a Strategic Hedging Program ("SHP") that will involve a series of monthly competitive auctions; and

**WHEREAS**, TCAP has prepared a Professional Services Agreement ("PSA"), attached as Exhibit A, that, in addition to enumerating services and benefits to members of TCAP, provides TCAP with specific authority to procure power in the wholesale market on behalf of members who choose to participate in the SHP; and

**WHEREAS**, approval of the PSA is a necessary, but not sufficient, prerequisite to participation in the SHP; and

**WHEREAS**, the PSA is a relational contract that defines services provided by TCAP to members regardless of whether a member decides to commit to the SHP; and

**WHEREAS**, the industry-standard retail contract is a Commercial Electric Service Agreement ("CESA") offered by a Retail Electric Provider ("REP"); and

**WHEREAS**, TCAP has negotiated modifications to the current CESA between the Authority and Gexa Energy to reflect participation in the SHP; and

**WHEREAS**, the CESA that will facilitate participation in the SHP effective for power deliveries in and beyond 2023 (attached as Exhibit B) will need to be approved and signed prior to October 1, 2020; and

**WHEREAS**, the Authority desires to participate in the SHP.

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

SECTION 1. That the Executive Director is authorized to sign Exhibit A, TCAP's Professional Services Agreement, and Exhibit B, Gexa Energy's CESA, and send the agreements to TCAP, 15455 Dallas Parkway, Ste 600, Addison, TX 75001.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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

**ATTEST:**

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

ATTACHMENT 15

Annexation Petitions

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 18, 2020  
Re: Annexation Petitions – Final Approval – Annexation Petition for:  
Jose A. and Mary L. Garcia - The Ranch-Unrecorded Subdivision, Lot 7 Block G  
John Hernandez – The Ranch – Unrecorded Subdivision, Tract 21-H

### Background:

As the Board is aware, the Nueces County Grant Administration office acquired funds to address water quality problems for the Cyndie Park and The Ranch subdivisions. Since those subdivisions are not within South Texas Water Authority's district boundaries, the property owner requests retail water service from the NWSC and annexation into STWA's district. This results in the new NWSC member paying the same costs (NWSC retail water bill and STWA property taxes) as all other NWSC customers.

### Analysis:

During the last Board meeting, Resolutions 20-14 and 20-15 were approved calling for the required public hearing on the annexation petitions filed by Jose A. and Mary L. Garcia - The Ranch-Unrecorded Subdivision, Lot 7 Block G and John Hernandez – The Ranch – Unrecorded Subdivision, Tract 21-H. A public hearing is scheduled for immediately preceding the regular Board meeting. Staff does not anticipate any public comment during the meeting since the annexation is for the Garcia and Hernandez properties only. In order to complete the process, the Board will need to approve/adopt Resolutions 20-20 and 20-21.

### Staff Recommendation:

Adopt Resolutions 20-20 and 20-21.

### Board Action:

Determine whether to adopt Resolutions 20-20 and 20-21.

### Summarization:

As you can see, both of these properties are located in the subdivision immediately to the west of the Cyndie Park Subdivisions. One property is serviced by a waterline installed as the result of a Nueces County grant project. The other location will be serviced by an extension paid for by the property owner. Staff anticipates additional requests for annexation will be requested by lot owners in The Ranch Subdivision.

ATTACHMENT 16

Resolution 20-20



CERTIFICATE FOR  
RESOLUTION APPROVING ANNEXATION

THE STATE OF TEXAS	§
COUNTIES OF KLEBERG AND NUECES	§
SOUTH TEXAS WATER AUTHORITY	§

We, the undersigned officers of the Board of Directors of said Authority, hereby certify as follows:

1. The Board of Directors of said Authority convened in REGULAR MEETING ON THE 26TH DAY OF MAY, 2020, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Kathleen Lowman, President	Lupita Perez
Brandon W. Barrera, Vice-President	Patsy A. Rodgers
Rudy Galvan, Jr., Secretary/Treasurer	Filiberto Treviño, III
Jose M. Graveley	

and all of said persons were present, except the following absentees: \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business the following was transacted at said Meeting: a written

RESOLUTION APPROVING ANNEXATION

was duly introduced for the consideration of said Board and read in full. It was then moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: \_\_\_\_\_.  
NOES: \_\_\_\_\_.

2. That a true, full, and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said Meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and the said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given all as required by

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 26th day May, 2020.

---

Rudy Galvan, Jr., Secretary  
Board of Directors

---

Kathleen Lowman, President  
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 20-20

THE STATE OF TEXAS §  
COUNTIES OF KLEBERG AND NUECES §  
SOUTH TEXAS WATER AUTHORITY §

WHEREAS, the Board of Directors conducted a hearing on this date in reference to the annexation of the territory described in Exhibit A attached hereto; and

WHEREAS, it was deemed advisable by the Board to approve the annexation of such territory to the Authority; and

WHEREAS, it is officially found and determined: that a case of emergency or urgent public necessity exists which required the holding of the meeting at which this Resolution was adopted and that said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

1. That the annexation of the territory described in Exhibit A is hereby approved by this Board, and it is hereby found that there will be benefit to the territory as amended.

2. That pursuant to Article 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979, no election is required to approve the annexation as the petition was signed by all residents and landowners of the annexed territory.

-----

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 1 day of April, 2020.

Jose A Garcia  
Jose A. Garcia

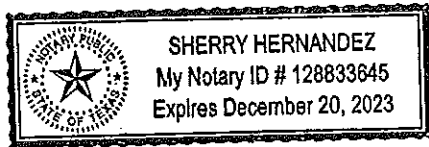
Mary L Garcia  
Mary L. Garcia

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Jose A. Garcia on this the  
1st day of April, 2020.



Sherry Hernandez  
Notary Public

My Commission Expires: 12-20-23

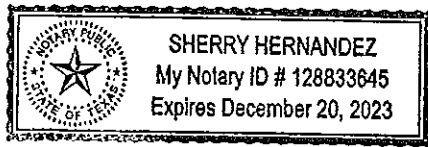
NOTARY SEAL

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Mary L. Garcia on this the  
1st day of April, 2020.



Sherry Hernandez  
Notary Public

My Commission Expires: 12-20-23

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

Lot 7, Block G of The Ranch Subdivision in Nueces County, Texas, being a tract of land containing 2.6 acres, more or less, conveyed by Warranty Deed from John S. McGregor and C.C. Speed to Willie Lee Hill and Mary Anne Hill, and more fully described in Volume 1875, Pages 345 through 351, Deed Records of Nueces County, Texas, and under File No. 326690, County Clerk Records of Nueces County, Texas.

ATTACHMENT 17

Resolution 20-21

CERTIFICATE FOR  
RESOLUTION APPROVING ANNEXATION

THE STATE OF TEXAS	§
COUNTIES OF KLEBERG AND NUECES	§
SOUTH TEXAS WATER AUTHORITY	§

We, the undersigned officers of the Board of Directors of said Authority, hereby certify as follows:

1. The Board of Directors of said Authority convened in REGULAR MEETING ON THE 26TH DAY OF MAY, 2020, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Kathleen Lowman, President	Lupita Perez
Brandon W. Barrera, Vice-President	Patsy A. Rodgers
Rudy Galvan, Jr., Secretary/Treasurer	Filiberto Treviño, III
Jose M. Graveley	

and all of said persons were present, except the following absentees: \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business the following was transacted at said Meeting: a written

RESOLUTION APPROVING ANNEXATION

was duly introduced for the consideration of said Board and read in full. It was then moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: \_\_\_\_\_.

NOES: \_\_\_\_\_.

2. That a true, full, and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said Meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and the said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given all as required by



Chapter 551, Texas Government Code.

SIGNED AND SEALED the 26th day May, 2020.

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Rudy Galvan, Jr., Secretary  
Board of Directors

---

Kathleen Lowman, President  
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 20-21

THE STATE OF TEXAS §  
COUNTIES OF KLEBERG AND NUECES §  
SOUTH TEXAS WATER AUTHORITY §

WHEREAS, the Board of Directors conducted a hearing on this date in reference to the annexation of the territory described in Exhibit A attached hereto; and

WHEREAS, it was deemed advisable by the Board to approve the annexation of such territory to the Authority; and

WHEREAS, it is officially found and determined: that a case of emergency or urgent public necessity exists which required the holding of the meeting at which this Resolution was adopted and that said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

1. That the annexation of the territory described in Exhibit A is hereby approved by this Board, and it is hereby found that there will be benefit to the territory as amended.
2. That pursuant to Article 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979, no election is required to approve the annexation as the petition was signed by all residents and landowners of the annexed territory.

-----

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 22 day of April, 2020.

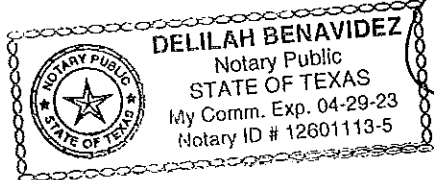
John Hernandez  
John Hernandez

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me John Hernandez on this the  
22 day of April, 2020.



NOTARY SEAL

Delilah Benavidez  
Notary Public  
My Commission Expires: 4/29/2023

Exhibit "A"

To

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

Property Description:

Tract Twenty-One-H (21-H), The Ranch, being a tract of land containing 1.31 acres, more or less out of 238.79 acres of land out of CASA BLANCA GRANT and being part of Blocks 24 and 25 of the MANTOR BRIGGS & KUYKENDALL SUBDIVISION of 5155.97 acres in Nueces County, Texas, according to the map or plat recorded in Volume 2, Page 57, of the Map records of Nueces County, Texas, being more particularly described by metes and bounds in the Warranty Deed with Vendor's Lien recorded under Document No. 2016053695 of the Official Records of Nueces County, Texas.

ATTACHMENT 18

CARES Act and Defined Contribution Plans

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: May 19, 2020  
Re: Coronavirus Aid, Relief, and Economic Security (CARES) Act and Defined Contribution Plans

### Background:

As the Board is aware, in late March the federal government passed the CARES Act which is intended to provide economic relief as a result of COVID-19. Included in the various provisions of the Act are adjustments to the procedures used for employee loans from Defined Contribution Plans. Attached is a description of what is allowed under the Act. Also attached is a form which would be provided to Frost Bank, STWA's trustee, to opt out of the provisions.

### Analysis:

The provisions first define a qualified individual. There are three (3) scenarios that trigger an employee being qualified: (1) contracting COVID-19 (2) a spouse or dependent contracting COVID-19 or (3) becoming adversely affected economically due to COVID-19.

By opting in, the distribution is not subject to the 10% excise tax on early withdrawals or the 20% withholding requirement. The individual can choose to claim the income over a 1 to 3-year period.

From March 27 through September 21, the maximum loan allowed is the lesser of \$100,000 or 100% of the account balance. In addition, the due date for all loan payments would be extended by a year – although interest would continue to accrue.

Finally, although to my knowledge there are no previous employees falling within this category, the required minimum distributions are suspended for 2020.

There are some provisions that appear to be very helpful, particularly if an employee or his/her family becomes ill with COVID-19. However, the item that presents the biggest concern is allowing an individual to take a loan equal to 100% of the balance. The Board will recall that STWA's Retirement Thrift Plan is the only retirement plan offered to employees. STWA does not participate in Social Security.

### Staff Recommendation:

Since the provisions are not pick and choose options, I recommend that the Board formally opt out of the CARES Act provisions and authorize me to sign the enclosed form and provide it to Mike Albright, Frost Bank.

### Board Action:

Determine whether to formally opt out of the CARES Act provisions and authorize me to sign the enclosed form and provide it to Mike Albright, Frost Bank.

### Summarization:

Currently, the maximum amount an employee may borrow is the lesser of 50% of their vested account balance or \$50,000. This is not as generous as the CARES Act provisions. Nonetheless, the employee does have a loan provision available with protections in place for the employee's long term future.

# CARES Act Signed into LAW

On March 27<sup>th</sup>, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), which makes changes to provide relief to participants in employee benefit plans. The key provisions in the CARES Act are as follows:

## New Coronavirus-related Distributions from Defined Contribution Plans

Defined contribution plans including IRA's, are permitted (but not required) to allow: Coronavirus-related Distributions" under the following circumstances:

Has to be distributions made in 2020

Has to be made to a "qualified individual," defined as a participant:

- 1) Who is diagnosed with COVID-19 (or the virus causing it) by a CDC-approved test
- 2) Whose spouse or dependent has received such diagnosis
- 3) Who experiences adverse financial consequences because COVID-19 (or the virus causing it) has resulted in 1) the participant's quarantine, furlough/layoff, or reduction in work hours, 2) the participant's inability to work due to lack of child care, or 3) the closing/reduction in hours of a business owned by the participant.

The Plan Administrator may rely on a certification by a participant that they meet the definition of a qualified individual. The total amount of such distributions made to any qualified individual cannot exceed \$100,000. This amount is in addition to any other distribution allowed under the plan, such as hardship or in-service withdrawal. The distribution is not subject to the 10% excise tax on early withdrawals or the 20% withholding requirement. The recipient may take that distribution into income over a one to up to three year period of time.

## Temporary Increase in Maximum Plan Loan Amount/Delay in Loan Repayments

An eligible retirement plan that offers plan loans may implement the following new loan provisions, with respect to the same "qualified individuals", using the same definition for distributions above.

- 1) For new loans made between 3/27/2020 through 9/21/2020, the maximum loan is increased to the lesser of \$100,000 or 100% of the account balance in the plan.
- 2) For outstanding loans as of 3/27/2020, as well as any new loans, the due date for all payments under that loan that would otherwise fall due between 3/27/2020 and 12/31/2020, will be extended for one year. However, interest will continue to accrue.

## Delay of 2020 Required Minimum Distributions

Required Minimum Distributions from defined contribution plans and IRA's have been suspended for 2020.

For Employers that do not wish to offer these provisions, there is an opt-out attachment page, which needs to be dated, signed and returned to Frost Wealth Advisors.

Frost Retirement Services -- Mike Albright, Senior Vice President, CRSP (361)844-1048.



# CARES Act Provisions

---

Plan

\_\_\_\_\_, has decided to

Employer

Opt-out of the provisions of the  
Coronavirus Aid, Relief, and Economic  
Security Act (the CARES Act).

---

Authorized Signature

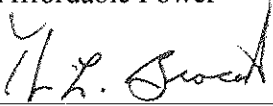
Date

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FOR YOUR INFORMATION

## MEMORANDUM

To: Steering Committee of Cities Served by Oncor  
Steering Committee of Cities Served by Atmos  
Texas Coalition for Affordable Power ---

From: Thomas L. Brocato 

Date: May 8, 2020

Re: Legislative Update – Texas Legislature and State Leadership During the COVID-19 Pandemic

---

Governor Abbott, other state leaders and the Texas Legislature are working on a daily basis to try and help the citizens of Texas deal with our new and difficult reality during the COVID-19 Pandemic. The normal rhythm to the legislative process and preparation for the next Regular Session of the Texas Legislature has been significantly altered as legislative leaders attempt to deal with the current issues being created by the COVID-19 Pandemic.

Governor Abbott has issued thirteen (13) Executive Orders since March 19 to lead the response to the pandemic at the state level. Governor Abbott's Executive Orders include Executive Order GA-14 published on March 31 that addressed the statewide continuity of essential services and activities through April 30, 2020, including social distancing guidelines. Governor Abbott also issued several Executive Orders to gradually re-open Texas using a phased-in approach as well as Executive Order GA-17 to create the Governor's Strike Force to Open Texas. Governor Abbott has typically held press conferences with state agency officials and legislative leaders several times a week to update the citizens of Texas on the State's efforts to deal with the pandemic.

Lieutenant Governor Dan Patrick announced the formation of 6 Work Groups made up of Texas State Senators "to discuss the challenges the state will face in the next legislative session as a result of the COVID-19 Pandemic, including economic impact and budgeting; public schools; food supply chain; health and hospitals and pandemic preparedness issues. Lt. Governor Patrick also created a task force chaired by Dallas businessman Brint Ryan to work on strategies for restarting the Texas economy when the time is right.

Texas Senate and House staff members as well as Lt. Governor Patrick's and Speaker Bonnen's staff members underwent training to help answer phone calls received by the Texas Workforce Commission related to unemployment claims. The Texas Workforce Commission has received an unprecedented number of phone calls and unemployment claims over the last month.

As far as preparation for the next regular session of the Texas Legislature that is scheduled to begin in January 2021, the Texas Senate and Texas House have stopped holding committee

May 8, 2020

Page 2

hearings in the short term to hear testimony and receive information on the various subjects, issues, and charges that the committees were assigned by Lt. Governor Patrick and Speaker Bonnen as part of the Legislature's social distancing effort. With the U.S. Census occurring in 2020, legislators were anticipating address redistricting matters during the 2021 Regular Session as the Legislature typically does in the Regular Sessions immediately following the Federal Government conducting the U.S. Census. The Legislature is also usually holding hearings and working on the state budget at this time in preparation for the upcoming Regular Session but that work has been reduced due to the COVID-19 pandemic. The state budget that legislators will be working on in the coming months and during the Regular Session will be particularly challenging with the economic ramifications of the COVID-19 pandemic coupled with the drop in oil and gas prices in the 2020 which impacts the amount of tax revenue the State of Texas receives from the production and sale of oil and gas.

# ERCOT MONITORING REPORT

**IN THIS ISSUE:**

COVID-19 1  
Generator Cost Recovery 2  
New Market Monitor 3

## ERCOT Contends with COVID-19

Like the rest of Texans, ERCOT has had to make significant adjustments during March and April in reaction to the COVID-19 pandemic. ERCOT performs an essential public function, and facilitates and oversees an electric grid that delivers a good that is essential to modern life. Accordingly, ERCOT's facilities—including its stakeholder meeting location in South Austin—have been physically closed for much of this period, and remain so as of this writing. ERCOT's stakeholder meetings are instead being conducted via teleconference and webex, with a priority placed on time-critical stakeholder measures and ERCOT reporting on its pandemic response.



operations function—the part of ERCOT's role that occurs inside one of two secure control rooms in the Austin area—ERCOT reported at the April Board of Directors meeting that certain additional precautions are in place. For instance, ERCOT is conducting body temperature screenings of individuals before they are permitted in the control rooms. ERCOT has also arranged for extensive control room cleanings in between shifts, and is alternating between its two control rooms for each shift.

**ERCOT System/Market Impact**

With businesses, schools, and governments on modified schedules (up to and including complete shut-down) throughout the state, the system's energy usage has changed

*(Continued on page 2)*

**ERCOT Staff Operations**

For its highly sensitive grid

### ATTORNEY-CLIENT COMMUNICATION

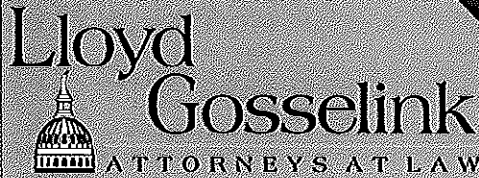
This memorandum is intended for cities/political subdivisions (and their employees, contractors, or elected officials) that are clients of Lloyd Gosselink. If you are not the intended recipient, please discard this document. Any use, dissemination, or reproduction of this transmission by an unintended recipient is prohibited.

**QUESTIONS ABOUT ERCOT?**

Chris Brewster, an attorney with Lloyd Gosselink, represents cities at ERCOT on a daily basis and participates in ERCOT matters on your behalf.

If you have questions or would like to discuss any ERCOT matter, or any communication from ERCOT regarding your ERCOT membership, please feel free to contact Chris at (512) 322-5831 or email [cbrewster@lglawfirm.com](mailto:cbrewster@lglawfirm.com).

He will be happy to answer your questions or assist you in any way.



## COVID-19, continued...

somewhat during the pandemic. ERCOT began monitoring load impacts directly related to COVID-19 during the week of March 8.

ERCOT has reported that while there has not been a significant impact to ERCOT's daily peaks, morning loads have been consistently lower between the hours of 6:00 and 10:00 a.m. As of early April, ERCOT reported that morning loads were six to 10 percent lower than what the forecast model would usually predict. ERCOT has stated that it will provide regular reporting on these dynamics throughout the pandemic.

### Upcoming Resource Adequacy Reports and Preliminary SARA

With the summer peak energy usage season quickly approaching, ERCOT announced that any changes to the summer peak load forecast will be announced in mid-May. This is when ERCOT will release its final summer Seasonal Assessment of Resource Adequacy (SARA) and the Capacity, Demand and Reserves (CDR) Report. The CDR

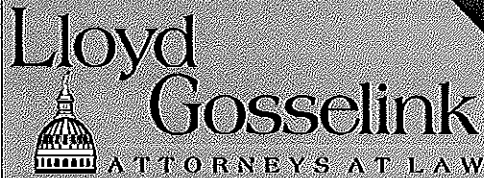
provides ERCOT's projection of the estimate reserve margin, or "cushion" of generating capacity above expected demand. ERCOT has stated that it requires a 13.75% reserve margin to operate the grid reliably, but ERCOT does not have the power to simply mandate that generators build more capacity. In recent years, the system has fallen well beneath ERCOT's targeted reserve margin.

In March, ERCOT released a preliminary SARA report for the summer season, projecting that the system's total resource capacity for the upcoming summer season will be 82,417 megawatts (MW). The preliminary summer SARA report includes a 76,696 MW summer peak load forecast based on normal summer peak weather conditions. ERCOT's current system-wide peak demand record is 74,820 MW, set last summer on Aug. 12, 2019—meaning that the March preliminary SARA predicts an approximately 1,900 MW increase to the system's peak load this summer. Whether the continuing impact of COVID-19 on electric usage in ERCOT puts that projection in doubt is an open question.

## Luminant Seeks Recovery of New Category of Cost

In March and April, Luminant began pressing for a change to ERCOT's rules that would allow it to recover certain of its fixed costs in different contexts through the ERCOT market. Specifically, there are instances in which a generator may recover its costs through payment from the ERCOT market when the generator is required to produce energy at ERCOT's direction, for reliability reasons. Additionally, when a particular power plant is deemed to have market power—that is, when the wholesale market for that plant's output is not competitive because of where it is located on the grid—the prices it receives are mitigated in a manner that is based on the plant's costs.

*(Continued on page 3)*



## Cost Recovery, Cont.'d

Historically, the rules that govern this process do not permit generators to recover any portion of their fixed costs, and instead focus on the generators' variable costs. There is a good basis for this, from an energy market design standpoint. The compensation that generators receive in these situations is supposed to mimic what would have occurred in a fully competitive wholesale market. In such a market, generators offer their energy at a price at (or close to) their marginal cost of producing that energy. They do this to maximize the chance that their offers are accepted.

Luminant now proposes to include certain fixed costs in this process, a controversial proposal that would upend many years of precedent at ERCOT, and likely increase the verifiable costs awarded to generators. Discussions of this proposal are preliminary and occurred in March and April, but

will proceed through the formal Nodal Protocol Revision process later this year. The process has moved slowly as a result of limitations arising from COVID-19 protective measures.

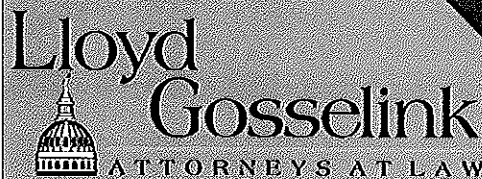
We oppose a move towards including fixed costs in the verifiable cost process. In a competitive market, sellers will try to maximize acceptance of their offers by limiting the offer price to only what is necessary to produce the marginal quantity of power from their plants. Luminant's proposed change offers generators a compensation structure that is better than what the market would afford, and revisits a methodological question that has long been settled.

As this concept continues to move through the ERCOT process this summer, we will provide further updates here.

## ERCOT Announces Hiring of New Independent Market Monitor

In early April, the PUC announced that a new Independent Market Monitor (IMM) for the ERCOT market had been selected—Carrie Bivens, who had been employed by ERCOT in a variety of capacities relating to the wholesale market and system reliability. As you may recall, the IMM is a position created by the Texas Legislature in 2007, and is intended to serve as a “watchdog” over the Texas wholesale energy market. The IMM both monitors the market for market manipulation and gaming, and evaluates the performance of the market and makes recommendations to the ERCOT Board and the PUC. Ms. Bivens worked at ERCOT for nearly fourteen years, and has a bachelor's degree in Operations Management from the University of Houston. Prior to working at ERCOT, she worked at the Federal Energy Regulatory Commission.

The previous IMM, Beth Garza, stepped down from the position in late 2019.



# ACRONYM GUIDE

CDR Report	Capacity, Demand, and Reserves Report
COPS	Commercial Operations Subcommittee
CREZ	Competitive Renewable Energy Zones
CRR	Congestion Revenue Rights
EDS	Early Delivery System
EECP	Emergency Electric Curtailment Plan
EILS	Emergency Interruptible Load Service
EMS	Energy Management System
ERCOT	Electric Reliability Council of Texas
FERC	Federal Energy Regulatory Commission
IMM	Independent Market Monitor
LAAR	Load Acting as a Resource
MW	Megawatt
MCPE	Marginal Clearing Price for Energy
MMS	Market Management System
NATF	Nodal Advisory Task Force
NERC	North American Reliability Corporation
NPRR	Nodal Protocol Revision Request
NOV	Notice of Violation
NSRS	Non-Spin Reserve Service
ORDC	Operating Reserve Demand Curve
PRR	Protocol Revision Request
PRS	Protocol Revision Subcommittee
QSE	Qualified Scheduling Entity
REP	Retail Electric Provider
RMS	Retail Market Subcommittee
ROS	Reliability Operations Subcommittee
RRS	Responsive Reserve Service
RUC	Reliability Unit Commitment
SEM	Single Entry Model
SCED	Security-Constrained Economic Dispatch
SOAH	State Office of Administrative Hearings
TAC	Technical Advisory Committee
TPTF	Texas Nodal Transition Plan Task Force
VFT	Variable Frequency Transformer
WMS	Wholesale Market Subcommittee