

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Brandon Barrera, President
DATE: June 14, 2021
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

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

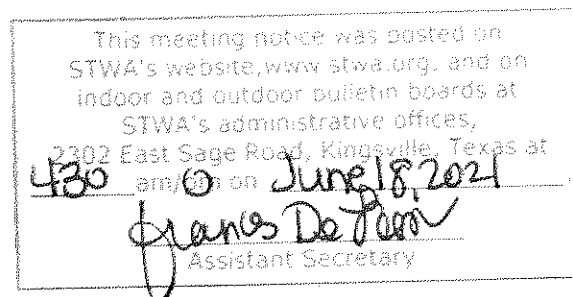
Tuesday, June 22, 2021
5:30 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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

Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
 - a. Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 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.



BB/CGS/fdl

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Brandon Barrera, President
DATE: June 14, 2021
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, June 22, 2021
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:

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. Water District Truth in Taxation Notices, Effective Tax Rate Calculation, and Meeting/Hearing Schedule. (Attachment 3)
6. Preliminary Fiscal Year 2022 Budget. (Attachment 4)
7. Nueces County project for construction of Banquete Pump Station to serve the Nueces County Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation. (Attachment 5)
8. Any and all actions necessary or convenient to facilitate the new executive director recruitment process. (Attachment 6)
9. Wholesale Water Supply Contract with the City of Corpus Christi.
10. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities. (Attachment 7)

11. NewGen Strategies & Solutions Proposal for Wholesale Water System Rate Study Update. (Attachment 8)
12. February 2021 winter storm/freeze event. (Attachment 9)
13. Approval of Annexation of Certain Lands to the South Texas Water Authority.
 - a. (Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas). (Attachment 10)
14. **Resolution 21-13.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas). (Attachment 11)
15. FY 2021 truck purchase. (Attachment 12)
16. Board of Directors Training. (Attachment 13)
17. Nomination of candidate for the Kleberg County Appraisal District Board of Directors. (Attachment 14)
18. **Resolution 21-14.** Resolution submitting nomination for candidate for positions on the Board of Directors of the Kleberg County Appraisal District. (Attachment 15)
19. STWA Cybersecurity. (Attachment 16)
20. Discussion with possible action on adding board members to STWA insurance. (Attachment 17)
21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place. (Jeremy and Chavalan Carpenter, Tract 31, Tierra Verde Unit 2 in Nueces County, Texas). (Attachment 18)
22. **Resolution 21-15.** 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. (Jeremy and Chavalan Carpenter) (Attachment 19)
23. Adjournment.

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

BB/CGS/fdl
Attachments

This meeting notice was posted on STWA's website, www.stwa.org, and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 4:30 am on June 18, 2021

Francis De Leon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
May 25, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Hector Castaneda
Frances Garcia
Kathleen Lowman
Patsy Rodgers
Angela Pena

Board Members Absent:

Rudy Galvan, Jr.

Staff Present:

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

Guests Present:

Marvin Leary -- Linebarger, Goggan,
Blair & Sampson, LLP

1. Call to Order.

Mr. Brandon Barrera, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:30 p.m. A quorum was present.

2. Citizen Comments.

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

3. New Board member's oaths of office.

Ms. Wagner administered the Oath of Office to Ms. Angela Pena who was appointed to Place 6 by the Nueces County Commissioner's Court.

The order of the agenda was changed to accommodate the guest, Mr. Marvin Leary.

11. Consideration of offers made to Linebarger, Goggan, Blair & Sampson, LLP for Tax Resale properties in Nueces County.

Mr. Marvin Leary of Linebarger, Goggan, Blair & Sampson, LLP introduced himself to the Board and presented bid analyses and maps on three struck off properties for which offers have been received. The offers have already been approved by the other taxing entities. If the offers are approved by the Board, STWA will receive at least \$338.10 in delinquent taxes from the sale proceeds and restore as much as \$60,068.00 in taxable property value to STWA's active tax rolls.

12 Resolution 21-11. Resolution approving the sale of delinquent tax properties for less than the amount of taxes owed or the most recent value determined by the appraisal district, whichever is less.

A motion was made by Mr. Graveley and seconded by Ms. Lowman to adopt Resolution 21-11 approving the offers made to Linebarger, Goggan, Blair & Sampson, LLP. All voted in favor.

4. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the April 27, 2021 Regular Meeting as presented. Mr. Graveley seconded. The motion passed by unanimous vote.

5. Treasurer’s Report/Payment of Bills.

Ms. Wagner reported that this is the first Treasurer’s Report using Black Mountain Software, therefore, some of the reports have a different appearance. General Ledger Account Summary Reports have been replaced by Trial Balances.

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

- Treasurer’s Report for period ending April 30, 2021
- Revenue Fund Income Statement for period ending April 30, 2021
- Tax Fund Income Statement for period ending April 30, 2021
- Special Services Income Statement for period ending April 30, 2021
- STWA Revenue Fund Balance Sheet – April 30, 2021
- STWA Revenue Fund Trial Balance for April, 2021
- STWA Debt Service Fund Income Statement for period ending April 30, 2021
- STWA Debt Service Fund Balance Sheet – April 30, 2021
- STWA Debt Service Fund Trial Balance for April, 2021
- STWA Capital Projects Fund Income Statement for period ending April 30, 2021
- STWA Capital Projects Fund Balance Sheet – April 30, 2021
- STWA Capital Projects Fund Trial Balance for April, 2021
- Catholic Protection Expenses Breakdown
- 2012 Bond Election Report
- Anticipated vs. Actual Water Rate Charged
- Maintenance & Technical Report from O&M Supervisor

The following outstanding invoices were presented for Board approval:

• Hilltop Securities	\$ 2,500.00
• Willatt & Flickinger	\$ 1,173.30
• City of Corpus Christi	\$ 126,429.68
• Black Mountain Software	\$ 20,584.50
• Ray Associates, Inc.	\$ 5,350.00

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

6. Resolution 21-07. Resolution appointing Carola G. Serrato, Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority and First and Second Alternates Jo Ella Wagner and Frances De Leon in her absence.

Mr. Graveley made a motion to adopt Resolution 21-07. The motion was seconded by Ms. Garza and passed unanimously.

7. Resolution 21-08. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.

Ms. Lowman made a motion to adopt Resolution 21-08. Mr. Graveley seconded the motion and all voted in favor.

8. Resolution 21-09. Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.

Mr. Graveley made a motion to adopt Resolution 21-09. The motion was seconded by Ms. Rodgers and passed unanimously.

9. Resolution 21-10. Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

Mr. Graveley made a motion to adopt Resolution 21-10 and the motion was seconded by Ms. Garcia. All voted in favor.

10. Preliminary Nueces and Kleberg County Appraisal District Values.

Ms. Serrato presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect a \$137,958 increase compared to last year's certified values. She also noted that the values are preliminary and are being provided for informational purposes. She reminded the Board that the Average Home Value determines what Maintenance and Operations tax rate can be adopted. Certified values should be delivered by July 25th. No action was taken on the presented information.

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

Ms. Serrato stated that some unfinished punch list items remain before Texas Water Development Board proceeds with finalizing the project. The most problematic appears to be

plugging of the well at Cyndie Park although this is unrelated to either STWA or NWSC. She added that the new pump station is operational. She had nothing further to report.

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

Ms. Serrato reported that one candidate withdrew their application and the other five candidates remain interested. The deadline for these candidates to submit their video interviews is Friday and then the videos should be provided to the Board and NWSC and RWSC representatives. The Board took no action.

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

Ms. Serrato stated that Corpus Christi Assistant City Attorney Lisa Aguilar responded to Bill Flickinger, Willatt & Flickinger, this afternoon. Ms. Serrato and Mr. Flickinger have reviewed the email and Mr. Flickinger believes Ms. Aguilar is open to negotiations. She had nothing further to report.

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

Ms. Serrato reported that the NCWC&ID#5 board did not take action on the Water Supply Contract and the Maintenance and Operations Contract at their most recent meeting. Their next meeting is scheduled for June 9th and she plans to attend if necessary.

17. Incremental Increase Policy to address Customers without a Long-Term Contract.

Ms. Serrato explained that Nueces County Water Control & Improvement District #5 remains the only customer without a Water Supply Contract and asked if the Board is interested in authorizing staff to request a proposal from NewGen Strategies to revisit the Incremental Increase Policy. The Board agreed by consensus to contact NewGen Strategies to request a proposal to update the previous Incremental Fee Study.

18. February 2021 winter storm/freeze event.

Ms. Serrato presented spreadsheets illustrating costs of the storm damage broken down by pump station. Staff continues to provide the needed information to the insurance carriers. She will continue to provide updates to the Board.

19. ERCOT Ancillary Service Charges and payment options.

Ms. Serrato presented correspondence from TCAP, regarding ancillary fees that GEXA, STWA's retail energy provider, will be charging. Fees in the amount of \$25,265.67 have been assessed. GEXA is offering three payment options. Mr. Bill Flickinger recommends paying the charges in installments for 19 months. Ms. Lowman made a motion to pay the ancillary fees in installments for 19 months. Ms. Rodgers seconded. All voted in favor.

20. Declaration of salvage/surplus property.

Ms. Serrato presented a list of items that are no longer being used. The list included a 2009 Ford F150 truck, computers and office equipment, and an outdated camera system. She noted that advertising the last surplus sale in the Kingsville and Corpus Christi newspapers cost \$993.10 and the amount collected from the sale was \$2,172.13. She added that the office equipment is non-operational and has no value and recommended that the Board declare the list of office equipment as salvage property and authorize staff to dispose of the items as necessary including following recommended cybersecurity measures. Mr. Graveley made a motion to advertise the truck only in the Kingsville Record. Ms. Garza seconded. All voted in favor.

21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries which is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 21-12 setting the Public Hearing on June 22, 2021 at 5:30 p.m. at the STWA conference room.

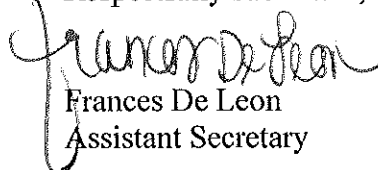
22. Resolution 21-12. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Bobbie Villarreal and Ray Villarreal).

Mr. Graveley made a motion to adopt Resolutions 21-12 setting the Public Hearing on June 22, 2021 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Ms. Lowman and passed unanimously.

23. Adjournment.

With no further business to discuss, Ms. Rodgers made a motion to adjourn the meeting at 6:32 p.m. Ms. Garza seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

**The South Texas Water Authority
Treasurer's Report for May, 2021
will be sent under separate cover
prior to the Board Meeting. Staff
continues to learn the new
accounting software and various
features it offers. However, a few
software problems are still
occurring with Black Mountain
Software but progress is being
made!**

ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-20	\$0.426386	\$2.5122	\$2.9385	\$0.426386	\$2.510093	\$2.936479	-\$0.0021
Nov-20	\$0.426386	\$2.5135	\$2.9399	\$0.426386	\$2.513835	\$2.940221	\$0.0003
Dec-20	\$0.426386	\$2.5138	\$2.9401	\$0.426386	\$2.527490	\$2.953876	\$0.0137
Jan-21	\$0.426386	\$2.6249	\$3.0513	\$0.426386	\$2.631209	\$3.057595	\$0.0063
Feb-21	\$0.426386	\$2.6271	\$3.0535	\$0.426386	\$1.789671	\$2.216057	-\$0.8374
Mar-21	\$0.426386	\$2.6254	\$3.0518	\$0.426386	\$2.625722	\$3.052108	\$0.0003
Apr-21	\$0.426386	\$2.6247	\$3.0511	\$0.426386	\$2.623022	\$3.049408	-\$0.0017
May-21	\$0.426386	\$2.6233	\$3.0497	\$0.426386	\$2.624472	\$3.050858	\$0.0012
Jun-21	\$0.426386	\$2.6239	\$3.0503	\$0.426386		\$0.426386	-\$2.6239
Jul-21	\$0.426386	\$2.6212	\$3.0476	\$0.426386		\$0.426386	-\$2.6212
Aug-21	\$0.426386	\$2.6206	\$3.0470	\$0.426386		\$0.426386	-\$2.6206
Sep-21	\$0.426386	\$2.6232	\$3.0496	\$0.426386		\$0.426386	-\$2.6232
Avg Cost	\$0.426386	\$2.5961	\$3.0225	\$0.426386	\$2.480689	\$2.907075	-\$0.1155

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

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All Customers	Budgeted			Actual			Difference
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	
Oct-20	43,985,423	54,520,780	10,535,357	Oct-20	13,409,136	16,272,510	2,863,374
Nov-20	40,781,789	45,588,200	4,806,411	Nov-20	11,938,724	16,094,900	4,156,176
Dec-20	40,241,637	41,449,800	1,208,163	Dec-20	11,858,380	14,504,350	2,645,970
Jan-21	42,096,374	36,679,410	-5,416,964	Jan-21	12,731,444	12,833,310	101,866
Feb-21	37,586,040	45,205,310	7,619,270	Feb-21	11,286,148	15,178,920	3,892,772
Mar-21	40,974,824	41,914,040	939,216	Mar-21	12,087,707	14,009,290	1,921,583
Apr-21	42,699,878	46,729,430	4,029,552	Apr-21	12,566,915	14,402,820	1,835,905
May-21	46,406,955	48,163,120	1,756,165	May-21	14,220,525	13,017,560	-1,202,965
Jun-21	44,756,612	0	0	Jun-21	13,875,887	0	0
Jul-21	53,195,923	0	0	Jul-21	16,689,681	0	0
Aug-21	55,569,452	0	0	Aug-21	16,858,313	0	0
Sep-21	46,458,380	0	0	Sep-21	14,238,446	0	0
TOTAL	534,753,285	360,250,090	25,477,171	TOTAL	161,761,306	116,313,660	16,214,681

Kingsville	Budgeted			Actual			Difference
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	
Oct-20	10,746,844	11,688,000	941,156	Oct-20	8,399,400	9,046,000	646,600
Nov-20	10,746,844	4,723,000	-6,023,844	Nov-20	7,425,200	9,351,000	1,925,800
Dec-20	10,746,844	6,184,000	-4,562,844	Dec-20	7,360,600	8,234,000	873,400
Jan-21	10,746,844	5,026,000	-5,720,844	Jan-21	7,556,200	7,936,000	379,800
Feb-21	10,746,844	6,457,000	-4,289,844	Feb-21	6,294,000	9,062,000	2,768,000
Mar-21	10,746,844	6,047,000	-4,699,844	Mar-21	7,591,600	10,178,000	2,586,400
Apr-21	10,746,844	9,121,000	-1,625,844	Apr-21	8,177,600	9,209,000	1,031,400
May-21	10,746,844	12,471,000	1,724,156	May-21	8,927,600	7,225,000	-1,702,600
Jun-21	10,746,844	0	0	Jun-21	8,240,000	0	0
Jul-21	10,746,844	0	0	Jul-21	10,438,400	0	0
Aug-21	10,746,844	0	0	Aug-21	11,457,200	0	0
Sep-21	10,746,844	0	0	Sep-21	9,424,800	0	0
TOTAL	128,962,123	61,717,000	-24,257,748	TOTAL	101,292,600	70,241,000	8,508,800

Bishop	Budgeted	Actual	Difference
Oct-20	3,976,000	10,079,000	6,103,000
Nov-20	3,715,000	8,117,000	4,402,000
Dec-20	3,289,200	6,128,000	2,838,800
Jan-21	3,684,200	4,137,000	452,800
Feb-21	2,578,200	7,640,000	5,061,800
Mar-21	3,347,267	4,707,000	1,359,733
Apr-21	3,511,822	6,772,000	3,260,178
May-21	4,082,000	8,385,000	4,303,000
Jun-21	3,568,200	0	
Jul-21	5,725,400	0	
Aug-21	6,963,800	0	
Sep-21	3,308,200	0	
TOTAL	47,749,289	55,965,000	27,781,311

Banquete	Budgeted	Actual	Difference
Oct-20	2,050,176	1,634,680	-415,496
Nov-20	1,972,674	1,985,700	13,026
Dec-20	1,987,012	1,784,340	-202,672
Jan-21	2,034,876	1,991,150	-43,726
Feb-21	1,879,532	1,402,100	-477,432
Mar-21	1,901,436	1,632,890	-268,546
Apr-21	1,998,254	1,896,060	-102,194
May-21	2,096,482	1,913,610	-182,872
Jun-21	1,997,954	0	
Jul-21	2,351,988	0	
Aug-21	2,482,388	0	
Sep-21	2,073,826	0	
TOTAL	24,826,598	14,240,530	-1,679,912

Driscoll	Budgeted	Actual	Difference
Oct-20	3,271,571	3,711,000	439,429
Nov-20	3,126,325	3,275,000	148,675
Dec-20	3,053,569	2,920,000	-133,569
Jan-21	3,399,680	3,113,000	-286,680
Feb-21	3,065,060	3,846,000	780,940
Mar-21	3,394,360	3,078,000	-316,360
Apr-21	3,518,440	2,973,000	-545,440
May-21	3,834,880	2,877,000	-957,880
Jun-21	3,771,200	0	
Jul-21	4,532,200	0	
Aug-21	4,448,313	0	
Sep-21	4,373,140	0	
TOTAL	43,788,739	25,793,000	-870,885

Agua Dulce	Budgeted	Actual	Difference
Oct-20	2,132,296	2,089,590	-42,706
Nov-20	1,857,022	2,041,600	184,578
Dec-20	1,946,032	1,695,110	-250,922
Jan-21	1,943,130	1,642,950	-300,180
Feb-21	1,736,256	1,619,290	-116,966
Mar-21	1,905,611	2,261,860	356,249
Apr-21	2,180,004	2,355,550	175,546
May-21	2,498,624	2,273,950	-224,674
Jun-21	2,556,528	0	
Jul-21	2,711,410	0	
Aug-21	2,612,594	0	
Sep-21	2,293,124	0	
TOTAL	26,372,631	15,979,900	-219,075

Kingsville Bell Chart Values

	Target	Actual	Difference
	Volume	Volume	
Oct-20	12,523,440	11,688,000	-835,440
Nov-20	7,389,359	4,723,000	-2,666,359
Dec-20	5,905,073	6,184,000	278,927
Jan-21	4,650,000	5,026,000	376,000
Feb-21	6,784,078	6,457,000	-327,078
Mar-21	8,352,855	6,047,000	-2,305,855
Apr-21	10,965,223	9,121,000	-1,844,223
May-21	12,570,213	12,471,000	-99,213
Jun-21	14,329,855	0	
Jul-21	15,813,135	0	
Aug-21	16,015,817	0	
Sep-21	13,952,654	0	
TOTAL	129,251,702	61,717,000	-7,423,241

Net Revenue per Thousand (1,000) Gallons

Kingsville	Actual	Net Rev	Per 1000g	NWSC	Actual	Net Rev	Per 1000g
Oct-20	11,688,000	\$2,568.97	\$0.2198	2 months	Oct-20	16,272,510	\$5,046.94
Nov-20	4,723,000	\$0.00	\$0.0000		Nov-20	16,094,900	\$5,707.73
Dec-20	6,184,000	\$1,682.00	\$0.2720	Dec-20	14,504,350	\$4,415.41	
Jan-21	5,026,000	\$1,187.40	\$0.2363	Jan-21	12,833,310	\$3,922.18	
Feb-21	6,457,000	\$1,864.12	\$0.2887	Feb-21	15,178,920	\$4,395.42	
Mar-21	6,047,000	\$1,496.08	\$0.2474	Mar-21	14,009,290	\$4,468.66	
Apr-21	9,121,000	\$2,900.37	\$0.3180	Apr-21	14,402,820	\$4,616.62	
May-21	12,471,000	\$4,240.70	\$0.3400	May-21	13,017,560	\$3,731.43	
Jun-21	0	\$0.00	#DIV/0!	Jun-21	0	\$0.00	
Jul-21	0	\$0.00	#DIV/0!	Jul-21	0	\$0.00	
Aug-21	0	\$0.00	#DIV/0!	Aug-21	0	\$0.00	
Sep-21	0	\$0.00	#DIV/0!	Sep-21	0	\$0.00	
TOTAL	61,717,000	\$15,939.64	\$0.2583	TOTAL	116,313,660	\$36,304.39	\$0.3121

Bishop	Actual	Net Rev	Per 1000g	RWSC	Actual	Net Rev	Per 1000g
Oct-20	10,079,000	\$3,358.01	\$0.3332	Oct-20	9,046,000	\$2,586.82	\$0.2860
Nov-20	8,117,000	\$2,444.13	\$0.3011	Nov-20	9,351,000	\$2,743.53	\$0.2934
Dec-20	6,128,000	\$1,618.44	\$0.2641	Dec-20	8,234,000	\$2,157.61	\$0.2620
Jan-21	4,137,000	\$914.27	\$0.2210	Jan-21	7,936,000	\$1,959.50	\$0.2469
Feb-21	7,640,000	\$1,861.08	\$0.2436	Feb-21	9,062,000	\$2,491.62	\$0.2750
Mar-21	4,707,000	\$1,463.81	\$0.3110	Mar-21	10,178,000	\$2,973.23	\$0.2921
Apr-21	6,772,000	\$1,767.37	\$0.2610	Apr-21	9,209,000	\$2,506.14	\$0.2721
May-21	8,385,000	\$2,557.66	\$0.3050	May-21	7,225,000	\$1,764.19	\$0.2442
Jun-21	0	\$0.00	#DIV/0!	Jun-21	0	\$0.00	
Jul-21	0	\$0.00	#DIV/0!	Jul-21	0	\$0.00	
Aug-21	0	\$0.00	#DIV/0!	Aug-21	0	\$0.00	
Sep-21	0	\$0.00	#DIV/0!	Sep-21	0	\$0.00	
TOTAL	55,965,000	\$15,984.77	\$0.2856	TOTAL	70,241,000	\$19,182.64	\$0.2731

Driscoll	Actual	Net Rev	Per 1000g	Banquete	Actual	Net Rev	Per 1000g
Oct-20	3,711,000	\$1,036.83	\$0.2794	Oct-20	1,634,680	\$231.06	\$0.1413
Nov-20	3,275,000	\$937.05	\$0.2861	Nov-20	1,985,700	\$545.72	\$0.2748
Dec-20	2,920,000	\$836.83	\$0.2866	Dec-20	1,784,340	\$357.18	\$0.2002
Jan-21	3,113,000	\$815.72	\$0.2620	Jan-21	1,991,150	\$432.04	\$0.2170
Feb-21	3,846,000	\$1,107.32	\$0.2879	Feb-21	1,402,100	\$213.49	\$0.1523
Mar-21	3,078,000	\$899.22	\$0.2921	Mar-21	1,632,890	\$219.09	\$0.1342
Apr-21	2,973,000	\$940.25	\$0.3163	Apr-21	1,896,060	\$310.54	\$0.1638
May-21	2,877,000	\$862.40	\$0.2998	May-21	1,913,610	\$616.93	\$0.3224
Jun-21	0	\$0.00	#DIV/0!	Jun-21	0	\$0.00	
Jul-21	0	\$0.00	#DIV/0!	Jul-21	0	\$0.00	
Aug-21	0	\$0.00	#DIV/0!	Aug-21	0	\$0.00	
Sep-21	0	\$0.00	#DIV/0!	Sep-21	0	\$0.00	
TOTAL	25,793,000	\$7,435.62	\$0.2883	TOTAL	14,240,530	\$2,926.05	\$0.2055

Agua Dulce	Actual	Net Rev	Per 1000g	All Customers	Actual	Net Rev	Per 1000g
Oct-20	2,089,590	\$535.86	\$0.2564	Oct-20	54,520,780	\$15,364.49	\$0.2818
Nov-20	2,041,600	\$619.39	\$0.3034	Nov-20	45,588,200	\$12,997.55	\$0.2851
Dec-20	1,695,110	\$389.99	\$0.2301	Dec-20	41,449,800	\$11,457.46	\$0.2764
Jan-21	1,642,950	\$341.34	\$0.2078	Jan-21	36,679,410	\$9,572.45	\$0.2610
Feb-21	1,619,290	\$183.71	\$0.1135	Feb-21	45,205,310	\$12,116.76	\$0.2680
Mar-21	2,261,860	\$488.64	\$0.2160	Mar-21	41,914,040	\$12,008.73	\$0.2865
Apr-21	2,355,550	\$462.86	\$0.1965	Apr-21	46,729,430	\$13,504.15	\$0.2890
May-21	2,273,950	\$506.59	\$0.2228	May-21	48,163,120	\$14,279.90	\$0.2965
Jun-21	0	\$0.00	#DIV/0!	Jun-21	0	\$0.00	
Jul-21	0	\$0.00	#DIV/0!	Jul-21	0	\$0.00	
Aug-21	0	\$0.00	#DIV/0!	Aug-21	0	\$0.00	
Sep-21	0	\$0.00	#DIV/0!	Sep-21	0	\$0.00	
TOTAL	15,979,900	\$3,528.38	\$0.2208	TOTAL	360,250,090	\$101,301.49	\$0.2812

Memorandum

To: South Texas Water Authority Board of Directors and Carola G. Serrato, Executive Director
From: Dony Cantu, O&M Supervisor
Date: June 18, 2021
Re: O&M Activities

During the Week of May 24th - May 28th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Flushed dead-end lines for WSC's.
- CSI for Paulie Vela acct. #1285.
- Worked with Dave Brinks on TXDOT Permits.
- Worked on Banquete PS, PSI and pumps not working.
- Tested meters for Elvira Rodriguez acct. #280.
- Field verify for WSC's.
- Replaced MOV at PS #2 RWSC
- Mowed PS RWSC # 1,2 & 3.

During the Week of May 31st-June 4th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Worked on Aqua Dulce- Bishop tie-in valve, make sure valves closed.
- Mowed Bishop East Pump Station.
- Remove rural pump #1 at Central Pump Station.
- Clean NWSC Pumps.
- 1st of the month readings.
- Clean RWSC Pumps.
- Continue working on TXDOT permits.
- Repairs on Flush valves for WSC's.
- Replaced Bishop East check valve on pump #2.
- Performed new service connections (taps) for WSC's.
- Replaced glass at LAS, CL2 buildings.
- CL2 cylinder count for WSC's (DPC inventory)
- Repaired leaking roof at Banquete PS.
- Meeting with Olivarez Roofing for quote at Banquete PS.

During the Week of June 7th-June 11th:

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

O&M Supervisor Report

06/18/21

Page 2 of 2

- A Safety meeting was held.
- Bac-T Samples were collected.
- Met with Scott Electric to wire up PS #2 MOV-RWSC.
- Pumped out water at vault on FM 772.
- Remote meter readings for NWSC.
- Put PS #3 back online-RWSC.
- Tested backflow assembly on HWY 44 tie on with NWSC & NCWCID #3.
- Field verify for extension at new cotton gin Hwy 77.
- Read routes for RWSC.
- Re-reads for NWSC.
- Re-reads for RWSC.
- Repaired leak at 2389 Lindsey Drive, acct. #414-NWSC.
- Checked on roof in Agua Dulce, small leak.
- Cleaned out ice machine.
- Annual DPS physical for CDL for Field Tech.
- Move ADT camera equipment in office.

During the Week of June 14th-June 18th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Flushed dead-end lines for WSC's.
- Mini Excavator was repaired & serviced.
- Repairing Hydro Tank at Bishop East (small).
- Performed CSI's for WSC's.
- Performed Meter Removals and re-reads for WSC's.
- Worked on Bishop East pumps.
- Replaced coupling on Bishop East PS #2 pump.
- Inspected Contractor doing bores around NWSC & STWA lines.
- Finished Flores extension tie-in for RWSC.

ATTACHMENT 3

Truth in Taxation

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 14, 2021
Re: Truth in Taxation (TNT) and Meeting/Hearing Schedule

Background:

Every year, a review of a water district's Truth in Taxation (TNT) requirements is presented. Water districts compare the *average home value* from last year to this year. This is a considerable difference from other taxing entities that compare their total taxable value from one tax year to the next. STWA's Tax Year 2021 Average Home Value will be calculated when the certified values are provided by the Nueces and Kleberg County Appraisal Districts. Last year's (Tax Year 2020) *average home value* after the \$5,000 homestead exemption was \$88,405. The prior year's average home value was \$84,477 after the \$5,000 homestead exemption.

STWA's Effective Tax Rate (ETR) is calculated by multiplying the Tax Year 2021 average home value by the *proposed* tax rate to arrive at a proposed tax bill. That proposed tax bill is compared to the tax bill for *last year's* average home value using the current year's tax rate. This comparison is made as a dollar amount and as a *percentage change*.

State law allows up to a 3.5% increase on the M&O portion of a property tax without being subject to a rollback. In the past, staff has calculated a value just below the allowed maximum based on the rollback percentage for publication. This provides the greatest degree of flexibility in terms of adopting a rate since a lower rate can be adopted without another newspaper publication and public hearing.

Analysis:

Enclosed is a Nueces County Tax Office letter outlining what their office interprets as required notices as well as their deadline for receipt of the information. As before, the Tax Office has set a deadline of September 10, 2021 to adopt a rate or be subject to paying for sending out separate tax bills.

In order to comply with the necessary TNT laws as well as the deadline established by the tax office the following must occur:

1. This year, **July 25th** falls on a Sunday. Staff anticipates that the Nueces County and Kleberg County Certified Appraisal Rolls will be delivered by Monday, July 26th. Staff also expects delivery to occur via email rather than hand delivered as in past years.
2. The Nueces County Tax Office has set **July 26th** as the deadline to provide the **Governing Body Information** form which will be posted on their website.
3. The Board agreed to postpone the July meeting by a week until **August 3rd**. During that meeting, a vote is needed on a PROPOSED tax rate which includes setting the date, time and location for the Public Hearing. Although it is not part of the TNT requirements, the Board will also be asked to approve a proposed budget during the August 3rd meeting which will be mailed to STWA's wholesale customers the following day, if approved.
4. Water districts are only required to hold one (1) public hearing. The recorded vote on the PROPOSED rate is published together with the notice of the public hearing. The Public Hearing and Board meeting will need to occur on Tuesday, **September 7th**. Publications in the Corpus Christi Caller will occur on August 29th and August 26th in the Kingsville Record. This will provide the seven-day required advance notice.

Staff Recommendation:

In order to comply with the necessary TNT rules, provisions of the wholesale water supply contracts and a Nueces County Tax Office deadline, the following schedule is being presented to ensure that a quorum will be available for the necessary meetings and public hearing.

Date	Event	Action
June 22, 2021	Board Meeting	Agree on calendar, confirm quorums, review preliminary FY 2021 Budget
July 26, 2021	CADs deliver Rolls	Staff calculates ETR using Average Home Values
August 3, 2021	Board Meeting	Board votes on proposed rate, sets date/time of hearing, approves sending out Proposed Budget to Wholesale Customers
August 4, 2021	Staff Prep	Proposed Budget sent to Wholesale Customers for 30-day written comment period
Aug 5 – Sep 6	30 day Period	Wholesale Customers review/written comment period on the Proposed Budget
Aug 26 and 29, 2021	Publish Notices	Newspaper Notices must be published at least 7 days before the hearing
Sep 7, 2021	Public Hearing	Board holds public hearing on proposed tax rates.
Sep 7, 2021	Board Meeting	After hearing, Board adopts Tax Rates, Budgets, Water Rates, Handling Charge.
Sep 10, 2021	NC Tax Office Deadline	Failure to submit Tax Rates could result in STWA paying for separate tax bill mail-out.

Board Action:

Determine whether to approve the above-listed schedule.

Summarization:

This outline should ensure establishing quorums for the necessary hearing and meetings.

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



Kevin Kieschnick
Assessor and Collector of Taxes

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

RECEIVED

JUN 04 2021

June 2, 2021

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

SOUTH TEXAS WATER AUTHORITY

RE: 2021 Truth in Taxation Process

Dear Ms. Serrato:

In preparation for the 2021 tax year, the enclosed information sheet, planning calendar, governing body information, and debt schedule must be completed and mailed to our office no later than July 26, 2021.

As a reminder, below are last year's changes:

- Publication of the following items on your website homepage:
 - Tax Rate Worksheets (by August 7th)
 - Notice of Public Hearing / Meeting (at least 7 days prior to meeting date)
 - Must be published on Free Access TV if available
 - Updated Notice of No-New-Revenue Tax Rate
 - Notice of Adopted Tax Rate (if exceeding No-New-Revenue Rate or Voter-Approval Rate)
- We must have your signed worksheets in office by August 7th. These will be posted on our website as required by Texas Property Tax Code.

In order to mail tax bills by Oct. 1, our deadline to receive adopted tax rates will be Friday, September 10, 2021. Failure to meet this deadline will result in a separate billing for your jurisdiction with additional cost to you.

Truth-In-Taxation help and guidelines can be found on the state comptroller's website <https://comptroller.texas.gov/taxes/property-tax/truth-in-taxation/index.php> or by phone (800) 252-9121.

For information contact:
voice
fax

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

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

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

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



Kevin Kieschnick
Assessor and Collector of Taxes

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

If you have any questions regarding the truth in taxation process please feel free to call, e-mail, or fax (361) 888-0231 the following:

- Krista Champine, Finance/Revenue Manager 361-888-0406
krista.champine@nuecesco.com
- Sherry Hopkins, Accounting Supervisor 361-888-0469
sherry.hopkins@nuecesco.com
- Sandra Rocha, Reports Accountant 361-888-0475
sandra.rocha@nuecesco.com

Sincerely,

A handwritten signature in black ink, appearing to be "Kevin Kieschnick", written over a large, empty oval shape.

Kevin Kieschnick
Assessor and Collector of Taxes
Nueces County Tax Office

For information contact:
voice
fax

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

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

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

**2021 INFORMATION NEEDED FOR PROCESSING
TRUTH-IN-TAXATION REQUIREMENTS**

- 1) Taxing Entity: South Texas Water Authority
- 2) Name of contact and/or authorizing personnel of truth-in-taxation calculations: Name: Carola G. Serrato
Title: Executive Director
- 3) Mailing address: 2302 East Sage Road, Kingsville, Tx 78363
- 4) E-mail address for contact: mcserrato@stwa.org
- 5) Telephone number: 361-592-9323 x112
- 6) Newspaper for publications: Corpus Christi Caller/Times & The Kingsville Record
- 7) Free access to a television channel? Yes No
- 8) Website Address www.stwa.org
Required for posting several Notices
- 9) Planning calendar: Attached
- 10) Debt Schedule with fund balances: Attached
- 11) Governing Body Contact Information Attached
Required to be posted on Tax Assessor's website

Please return completed information no later than July 26, 2021.

2021 Planning Calendar Water Districts

April 1, 2021 Mailing of notices of appraised value by chief appraiser.

May 15, 2021 Deadline for submitting appraisal records to ARB.

July 20, 2021 Deadline for ARB to approve appraisal records.

July 25, 2021 Deadline for chief appraiser to certify rolls to taxing units.

August 7, 2021 Calculation of effective and rollback tax rates.

August 7, 2021 Appraisal District sends out notice and publishes database according to Sec. 26.04

August 3, 2021 Meeting to discuss proposed rate

8/26/21 KR and 8/29/21 CCC Publish "Water District Notice of Public Hearing on Tax Rate"
at least seven days prior to meeting date.

September 3, 2021 72-hours notice for meeting (Open Meetings Notice).

September 7, 2021 Meeting date to consider adopting a proposed rate.

2021 Governing Body Information

Please enter the following official information for each member of your governing body. This information is required by Property Tax Code to be posted on your website and our website.

Title STWA Board President

Full Name Brandon Barrera

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwabarrera@gmail.com

Title STWA Board Vice-President

Full Name Jose Graveley

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwagraveley@gmail.com

Title STWA Board Secretary/Treasurer

Full Name Imelda Garza

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwaqarza@gmail.com

2021 Governing Body Information

Please enter the following official information for each member of your governing body. This information is required by Property Tax Code to be posted on your website and our website.

Title STWA Board Member

Full Name Rudy Galvan

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwagalvan@gmail.com

Title STWA Board Member

Full Name Frances Garcia

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwagarcia@gmail.com

Title STWA Board Member

Full Name Kathleen Lowman

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwalowman@gmail.com

2021 Governing Body Information

Please enter the following official information for each member of your governing body. This information is required by Property Tax Code to be posted on your website and our website.

Title STWA Board Member

Full Name Angela Pena

Mailing Address 2302 East Sage Road
Kingsville, Tx 78363

Phone Number 361-592-9323

Email Address stwapena@gmail.com

Title STWA Board Member

Full Name Patsy Rodgers

Mailing Address 2302 East Sage Road
Kingsville, Texas 78363

Phone Number 361-592-9323

Email Address stwaprodgers@gmail.com

Title _____

Full Name _____

Mailing Address _____

Phone Number _____

Email Address _____

**2021 EFFECTIVE TAX RATE INFORMATION WORKSHEET
FUND BALANCES AND DEBT SERVICE
(All other taxing units)**

UNENCUMBERED FUND BALANCES

The following estimated balances will be left in the unit's accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

TYPE OF FUND	BALANCES
General Fund	\$ 3,720,764
	\$
	\$
	\$
	\$

TOTAL CURRENT YEAR DEBT SERVICE

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable.)

PLEASE NOTE: TRUTH-IN-TAXATION GUIDE LINES FOR DEBT:

1) Debts that are paid by property taxes, 2) Debt is secured by property taxes, 3) Debt is scheduled for payment over a period longer than one year, and (4) Debt is not classified in the unit's budget as maintenance & operations expenses.

Description of Debt	Principal	Interest	Other	Total Payments
STWA Gen. Oblig. Bonds, Series 2013	\$240,000	\$108,550	\$18,648	\$367,198
Less amount (if any) paid from other resources				\$0.00
Total of current debt service to be paid from current tax levy				\$367,198

Please initial here if you will not have a debt rate _____

2020 Junior College Levy

Applies to a taxing unit that dedicated taxes to a junior college district in 2020

\$ _____

Please initial here if this is not applicable CGS

If you think this may apply to you, please contact me for more information and initial here _____.

TRANSFER OF DEPARTMENT, FUNCTION OR ACTIVITY

Applies to a taxing unit that transfers all of a department, function or activity to another taxing unit by written contract. In the first year of the transfer, both units publish a special schedule.

Please initial here if this is not applicable CGS

If you think this may apply to you, please contact me for more information and initial here _____.

2021 EFFECTIVE TAX RATE INFORMATION WORKSHEET
FUND BALANCES AND DEBT SERVICE
PAGE 2

I hereby certify that the above information is correct and is to be used in calculating the 2021 Effective Tax Rate for the Taxing Entity named below.

TAXING ENTITY: South Texas Water Authority

SIGNATURE: _____

TITLE: Executive Director

DATE: June 23, 2021

After completion please return with the information packet.

ATTACHMENT 4

Preliminary FY 2022 Budget

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 18, 2021
Re: Preliminary Fiscal Year 2022 Budget

Background:

Enclosed please find the Preliminary Fiscal Year 2022 Budgets.

At this time in the budget process, there are numerous key items unavailable:

1. **The Cost of Raw and Treated Water from the City of Corpus Christi** – STWA continues to pass through the cost of water from the City to Wholesale Customers. Despite passing the cost through, it does impact the volume the City of Kingsville purchases and the revenue generated from STWA's Handling Charge. According to the enclosed email, the City of Corpus Christi's model may be available in the next month. However, it is important to note that the final pass-through rates may not be set until November.
2. **Kleberg County and Nueces County Certified Appraisal Rolls – The rolls contain the Taxable Values** and that data is used to calculate the **Average Home Value** which is used to determine the Effective Tax Rate.
3. **Certain Budgeted Costs** – The rates from the Nueces County Tax Office, the Nueces County Appraisal District and the Kleberg County Appraisal District are not yet known. Most other expenses are based on historical figures and anticipated costs with the exception of employee benefits in the form of insurance costs.

Analysis:

This preliminary budget is based on the same Handling Charge rate of \$0.426386/1000g. If the same Handling Charge is adopted in FY 2022, it would be the *twelfth* year that the same rate is charged. This Preliminary Budget is based on a sales volume of approximately 549 million gallons and generates about \$234,000 in Handling Charge revenues. The calculated volume is based on the five-year average volume for all customers with the exception of the City of Kingsville. The Handling Charge is calculated as follows:

Total Expenses – (O&M taxes + interest + miscellaneous revenues not associated with Management Services)
Estimated Sales Volume per thousand gallons based on a 5-year running average

The draft budget is also based on **preliminary appraisal district values** and keeping the same M&O tax rate as last year. The Interest and Sinking Tax Rate is recalculated using the preliminary appraisal district values; however, the calculation will change with certified values *and* with the adoption of tax office and appraisal district rates. The draft budget is based on an overall salary adjustment of 4.9% and milestone raises per Board policy. However, the executive director's salary is set at the maximum range of \$125,000. The budget includes \$72,000 in capital acquisition which is detailed on page 3 of the General Fund budget.

A **Special Services Budget** to recoup the cost of providing turn-key management and operation services for the Nueces Water Supply Corporation (NWSC) and Ricardo Water Supply Corporation (RWSC) is included.

Staff Recommendation:

Review the preliminary budgets and provide feedback to staff.

Board Action:

Determine what revenues and expenditures need further review or adjustment.

Summarization:

This draft budget reflects an ending balance that would add approximately \$542,000 to Reserves. However, as mentioned above, the Average Home Value has yet to be calculated and that is the key component to the setting of the tax rate.

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND
PRELIMINARY FY 2022**

**O & M TAX RATE: \$0.070059
I & S TAX RATE: \$0.015249
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.623485**

	2021 ADOPTED BUDGET	2021 AMENDED BUDGET	2022 PRELIMINARY BUDGET
REVENUES			
Water Service Revenue	\$1,400,631	\$1,400,631	\$1,441,652
Handling Charge Revenue	\$229,295	\$229,295	\$234,307
Premium Incremental Increase	\$6,500	\$6,500	\$5,000
Surcharge - Out of District	\$7,986	\$7,986	\$7,888
Interest Income	\$22,000	\$4,100	\$4,000
Interest Note - City of Driscoll	\$0	\$8,653	\$5,634
Other Revenue			
Operating & Maintenance Fees	\$0	\$11,300	\$11,300
Miscellaneous Revenues	\$12,000	\$12,000	\$12,000
TOTAL REVENUES	\$1,678,412	\$1,680,465	\$1,721,781
EXPENDITURES			
Water Service Expenditures:			
Bulk Water Purchases	\$1,400,631	\$1,400,631	\$1,441,652
Water Loss	\$0	\$0	\$0
TOTAL WATER SERVICE	\$1,400,631	\$1,400,631	\$1,441,652
Payroll Costs			
Salaries & Wages -			
Permanent Employees	\$342,332	\$342,332	\$368,540
Part-Time Employee	\$1,736	\$1,736	\$1,798
Vacation Buy-Back	\$0	\$0	\$13,096
Overtime - NWSC	\$0	\$0	\$0
Stand-by Pay - NWSC	\$0	\$0	\$0
Overtime - RWSC	\$0	\$0	\$0
Stand-by Pay - RWSC	\$0	\$0	\$0
Overtime - STWA	\$15,000	\$15,000	\$15,000
Stand-by Pay - STWA	\$1,300	\$1,300	\$1,300
Janitorial Pay - STWA Overtime	\$8,500	\$8,500	\$8,500
Employee Retirement Premiums	\$51,973	\$51,973	\$56,918
Group Insurance Premium	\$176,907	\$176,907	\$180,711
Unemployment Compensation	\$933	\$933	\$912
Workers' Compensation	\$6,654	\$6,654	\$6,156
Car Allowance	\$6,000	\$6,000	\$6,000
Hospital Insurance Tax	\$4,112	\$4,112	\$5,796
TOTAL PERSONNEL	\$615,447	\$615,447	\$664,726
Supplies & Materials			
Repairs & Maintenance	\$126,000	\$126,000	\$100,000
Meter Expense	\$5,000	\$8,000	\$5,000
Tank Repairs	\$38,000	\$38,000	\$20,000
Major Repairs	\$25,000	\$25,000	\$25,000
TOTAL SUPPLIES & MATERIALS	\$194,000	\$197,000	\$150,000

	2021 ADOPTED BUDGET	2021 AMENDED BUDGET	2022 PRELIMINARY BUDGET
Other Operating Expenditures:			
Professional Fees			
Legal	\$30,000	\$20,000	\$30,000
Auditing	\$9,475	\$9,750	\$10,000
Engineering	\$12,500	\$12,500	\$12,500
Management & Consulting	\$7,500	\$35,500	\$7,500
Inspections	\$6,000	\$4,000	\$6,000
Banquete Overhead Tank Demolition	\$35,000	\$42,000	\$0
TOTAL PROFESSIONAL FEES	\$100,475	\$123,750	\$66,000
Consum Supplies/Materials			
Postage	\$7,500	\$7,500	\$7,500
Printing/Office Supplies	\$30,000	\$30,000	\$30,000
Janitorial/Site Maintenance	\$8,400	\$9,500	\$9,500
Fuel/Lubricants/Repairs	\$30,000	\$37,500	\$40,500
Chemicals/Water Samples	\$52,500	\$52,500	\$52,500
Safety Equipment	\$1,500	\$1,500	\$1,500
Small Tools	\$2,000	\$2,000	\$2,000
TOTAL CON. SUPPLIES/MATERIALS	\$131,900	\$140,500	\$143,500
Recurring Operating Costs			
Telephone/Communications	\$14,000	\$14,000	\$18,000
Utilities	\$110,000	\$100,000	\$122,500
D & O Liability Insurance	\$3,500	\$2,250	\$3,000
Property Insurance	\$47,300	\$41,370	\$47,300
General Liability	\$3,200	\$5,500	\$5,500
Auto Insurance	\$2,450	\$3,100	\$3,100
Travel/Training/Meetings	\$18,000	\$18,000	\$18,000
Rental-Equipment/Uniforms	\$5,000	\$5,000	\$5,000
Dues/Subscriptions/Publication	\$15,000	\$15,000	\$15,000
Pass Through Cost	\$400	\$775	\$400
Educational Materials	\$0	\$0	\$0
TOTAL RECURRING OPER. COSTS	\$218,850	\$204,995	\$237,800
Miscellaneous			
Miscellaneous Expenditures	\$7,500	\$7,500	\$9,500
TOTAL MISCELLANEOUS	\$7,500	\$7,500	\$9,500
Total Administrative & Operations Exp.	\$2,668,803	\$2,689,823	\$2,713,178
Capital Outlay			
Capital Acquisition	\$242,763	\$255,200	\$72,000
Engineering	\$0	\$0	\$0
TOTAL CAPITAL OUTLAY	\$242,763	\$255,200	\$72,000
TOTAL EXPENDITURES (w/o D.S. exp.)	\$2,911,566	\$2,945,023	\$2,785,178
Excess (Deficiencies) of Revenue Over Expenditures	-\$1,233,154	-\$1,264,558	-\$1,063,397

	2021 ADOPTED BUDGET	2021 AMENDED BUDGET	2022 PRELIMINARY BUDGET
OTHER FINANCE SOURCE (USES)			
Transfer to Other Funds			
Disposition of Assets (Surplus Sale)	\$1,500	\$1,500	\$1,500
Transfer from Tax Accounts	\$1,523,651	\$1,527,178	\$1,604,130
TOTAL OTHER FINANCING SOURCES (USES)	\$1,525,151	\$1,528,678	\$1,605,630
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)			
	\$291,997	\$264,120	\$542,233
NET INCOME	\$291,997	\$264,120	\$542,233

	FY 2021		FY 2022
Capital Acquisition			
New Truck (replace 2012)	\$32,500	2 new trucks	\$67,000
Replace 6 Chlorine Bldgs	\$90,000	Technology	\$5,000
Technology Upgrades	\$5,000		
Portable Tower Lights	\$8,000		
Dual Chlorine/LAS Scales	\$3,000		
Banquete Pump Station	\$120,000		
	<u>\$258,500</u>		<u>\$72,000</u>
Engineering	\$0		

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND - TAX ACCOUNTS
PRELIMINARY FY 2022**

**O & M TAX RATE: \$0.070059
I & S TAX RATE: \$0.015249
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.623485**

	2021 ADOPTED BUDGET	2021 AMENDED BUDGET	2022 PRELIMINARY BUDGET
REVENUES			
Ad Valorem - Current (M & O)	\$1,556,828	\$1,556,828	\$1,639,586
Delinquent Taxes	\$30,000	\$30,000	\$30,000
Penalty & Interest - Tax Accounts (M & O)	\$19,000	\$19,000	\$19,000
Miscellaneous	\$0	\$0	\$0
TOTAL M&O TAX REVENUES	\$1,605,828	\$1,605,828	\$1,688,586
EXPENDITURES			
Tax Collector Fees	\$55,106	\$55,106	\$55,106
Appraisal Districts	\$27,071	\$27,071	\$29,350
Refunds	\$0	\$0	\$0
TOTAL EXPENDITURES	\$82,177	\$82,177	\$84,456
REVENUES OVER EXPENDITURES	\$1,523,651	\$1,523,651	\$1,604,130
OTHER USES			
Transfer to Revenue Fund (Tax)	\$1,523,651	\$1,523,651	\$1,604,130
TOTAL EXPEND. & OTHER USES	\$1,605,828	\$1,605,828	\$1,688,586
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	\$0	\$0

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND - SPECIAL SERVICES
PRELIMINARY FY 2022 BUDGET**

**O & M TAX RATE: \$0.070059
I & S TAX RATE: \$0.015249
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.623485**

	2021 ADOPTED BUDGET	2021 AMENDED BUDGET	2022 PRELIMINARY BUDGET
REVENUES			
Ricardo Water Supply Corporation 1014 customers	\$308,794	\$308,794	\$339,961
Nueces Water Supply Corporation 1000 customers	\$304,531	\$334,531	\$332,004
TOTAL SPECIAL SERVICES REVENUE	\$613,325	\$643,325	\$671,965
EXPENDITURES			
Personnel	\$328,454	\$334,754	\$360,947
Overhead	\$284,871	\$294,580	\$311,018
TOTAL SPECIAL SERVICES EXPENDITURES	\$613,325	\$629,334	\$671,965
REVENUES OVER EXPENDITURES	\$0	\$13,991	\$0

Personnel allocations:

Billing Clerk	85.00%
Receptionist	75.00%
Accountant Assistant	75.00%
Finance Manager	27.00%
Business/Risk Manager	25.00%
Field Manager	75.00%
Field Supervisor	75.00%
2.5 Man Field Crew	100.00%
Executive Director	15.00%

Payroll	\$319,767
Overtime, Part-time, and Stand-by Pay	<u>\$41,180</u>
	\$360,947

Overhead allocations include:

Medical Insurances	\$202,247
Retirement	\$47,807
Unemployment Compensation	\$1,104
Worker's Compensation	\$7,626
Medicare	\$5,234
Fuel, Vehicles, Equipment, Telephone Line, Postage	<u>\$47,000</u>
	\$311,018

Revenues

Water Revenue	\$1,441,652
Handling Charge	\$234,307
Interest - Including Driscoll	\$9,634
Premium Incremental Increase	\$5,000
M&O Taxes & Interest	\$1,688,586
Misc. Rev.	\$12,000
Management Fees	\$11,300
Out of District Surcharge	\$7,888
Disposition of Assets	<u>\$1,500</u>
TOTAL	\$3,411,868

Expenses

Cost of Water	\$1,441,652
Water Loss	\$0
Total Admin, Operations	\$1,271,526
Capital Outlay	\$72,000
Appraisal & Tax A/C	<u>\$84,456</u>
TOTAL	\$2,869,634

Excess Revenues or (Shortfall)	\$542,234
Water Rev - Cost of Water	\$0
O&M Taxes-Total Admin, Oper.	\$417,061

FY 22 Estimated Percentage of Total Invoices

KINGSVILLE	23.87%
BISHOP	7.33%
DRISCOLL	8.96%
AGUA DULCE	4.83%
NWSC	31.67%
RWSC	18.99%
NWC&ID #5	<u>4.35%</u>
	100.00%

MONTHLY CHARGES

	Total	Handling Charge	CC Cost of Water
October-21	\$2.937526	\$0.426386	\$2.511141
November-21	\$2.938727	\$0.426386	\$2.512341
December-21	\$2.939048	\$0.426386	\$2.512663
January-22	\$3.051286	\$0.426386	\$2.624900
February-22	\$3.052714	\$0.426386	\$2.626329
March-22	\$3.050986	\$0.426386	\$2.624600
April-22	\$3.050299	\$0.426386	\$2.623913
May-22	\$3.049124	\$0.426386	\$2.622738
June-22	\$3.050109	\$0.426386	\$2.623723
July-22	\$3.047684	\$0.426386	\$2.621298
August-22	\$3.047132	\$0.426386	\$2.620746
September-22	\$3.049477	\$0.426386	\$2.623091

SOUTH TEXAS WATER AUTHORITY
 FISCAL YEAR 2022 BUDGET
 General Fund

CC Water Cost
 \$2.62348
 Handling Charge
 \$0.426386
 M&O Tax Rate
 \$0.070971
 I&S Tax Rate
 \$0.015249

Proposed
 FY 2022
 BUDGET

REVENUES

Water Service Revenues	\$1,441,652	
Handling Charge Revenue	\$234,307	
Premium Incremental Increase	\$5,000	NCWCID5 Value
Fee in Lieu of Taxes	\$7,888	\$11,114,820
Interest on Temp. Invest.	\$4,000	
Interest Note - City of Driscoll	\$5,634	
Other Revenue		
Operations & Maintenance Fees	\$11,300	
Miscellaneous Revenues	\$12,000	
TOTAL REVENUES	\$1,721,782	

EXPENDITURES

Water Service Expenditures:	
Bulk Water Purchases	\$1,441,652
Water Loss	\$0
TOTAL WATER SERVICE	\$1,441,652

Payroll Costs

Salaries & Wages -	
Permanent Employees	\$368,541
Vacation Buy Back	\$13,096
Part-Time Employee	\$1,797
Overtime - NWSC	\$0
Stand-by Pay - NWSC	\$0
Overtime - RWSC	\$0
Stand-by Pay - RWSC	\$0
Overtime - STWA	\$15,000
Stand-by Pay - STWA	\$1,300
Janitorial Pay STWA Overtime	\$8,500
Employee Retirement Premiums	\$56,918
Group Insurance Premium	\$180,710
Unemployment Compensation	\$912
Workers' Compensation	\$6,155
Car Allowance	\$6,000
Hospital Insurance Tax	\$5,796

TOTAL PERSONNEL \$664,726

Supplies & Materials
 Repairs & Maintenance \$100,000

Meter Expense	\$5,000	
Tank Repairs	\$20,000	
Major Repairs	\$25,000	
TOTAL SUPPLIES & MATERIALS	\$150,000	
Other Operating Expenditures:		
Professional Fees		
Legal	\$30,000	
Auditing	\$10,000	
Engineering	\$12,500	
Management & Consulting	\$7,500	
Inspection	\$6,000	
TOTAL PROFESSIONAL FEES	\$66,000	
Consum Supplies/Materials		
Postage	\$7,500	
Printing/Office Supplies	\$30,000	
Janitorial/Site Maintenance	\$9,500	
Fuel/Lubricants/Repairs	\$40,500	
Chemicals/Water Samples	\$52,500	
Safety Equipment	\$1,500	
Small Tools	\$2,000	
TOTAL CONSUM SUPPLIES/MATERIALS	\$143,500	
Recurring Operating Costs		
Telephone/Communications	\$18,000	
Utilities	\$122,500	
D & O Liability Insurance	\$3,000	
Property Insurance	\$47,300	
General Liability	\$5,500	
Auto Insurance	\$3,100	
Travel/Training/Meetings	\$18,000	
Rental-Equipment/Uniforms	\$5,000	
Dues/Subscriptions/Publications	\$15,000	
Pass Through Costs	\$400	
Educational Materials	\$0	
TOTAL RECURRING OPER. COSTS	\$237,800	
Miscellaneous		
Miscellaneous Expenditures	\$9,500	
Election Expenditures	\$0	
TOTAL MISCELLANEOUS	\$9,500	
Total Administrative & Operations Exp.	\$2,713,178	\$1,271,526
Capital Outlay		
Capital Acquisition	\$72,000	
Engineering	\$0	
TOTAL CAPITAL OUTLAY	\$72,000	

TOTAL EXPENDITURES (w/o D.S. exp.)	\$2,785,178
Excess (Deficiencies) of Revenue Over Expenditures	(\$1,063,397)
OTHER FINANCE SOURCES (USES)	
Transfer to Other Funds	
Disposition of Assets (Surplus Sale)	\$1,500
Transfer from Tax Fund	\$1,604,130
TOTAL OTHER FINANCING SOURCES (USES)	\$1,605,630
TOTAL EXPENDITURES	\$1,179,548
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USED)	\$542,234
NET INCOME	

SOUTH TEXAS WATER AUTHORITY
FISCAL YEAR 2022 BUDGET
M& O TAX FUND

CC Water Cost
\$2.62348
Handling Charge
\$0.426386
M&O Tax Rate
\$0.070971
I&S Tax Rate
\$0.015249

Proposed
2022

Budget

REVENUES	
Ad Valorem - Current (M&O)	\$1,639,586
Delinquent Taxes	\$30,000
Penalty & Interest - Tax Accounts (M&O)	\$19,000
TOTAL M&O TAX REVENUES	\$1,688,586

EXPENDITURES

Tax Collector Fees	\$55,106
Appraisal Districts	\$29,350
Refunds	\$0

TOTAL EXPENDITURES \$84,456

REVENUES OVER EXPENDITURES \$1,604,130

OTHER USES

Transfer to Revenue Fund (Tax)	\$1,604,130
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TOTAL EXPEND. & OTHER USES \$1,688,586

Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0
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SOUTH TEXAS WATER AUTHORITY
 FISCAL YEAR 2022 BUDGET
 I&S TAX FUND

CC Water Cost
 \$2.62348
 Handling Charge
 \$0.426386
 M&O Tax Rate
 \$0.070971
 I&S Tax Rate
 \$0.015249 \$0.086220

Proposed
 FY 2021
 Budget

REVENUES

Ad Valorem - Current (M&O)	\$369,658	
Delinquent Taxes	\$9,000	
Out of District - Fee in Lieu of Taxes - NCWCID#5	\$1,695	\$11,114,820
Penalty & Interest - Tax Accounts (M&O)	\$5,000	
Interest on Temporary Investments	\$100	
TOTAL M&O TAX REVENUES	\$385,453	

EXPENDITURES

Fiscal Agent Fees	\$200	
Bond Interest Expense	\$108,550	\$348,750
Bond Principal Payments	\$240,000	
Tax Collector Fees	\$14,318	
Appraisal Districts	\$6,590	
Refunds	\$0	
TOTAL EXPENDITURES	\$369,658	\$0.015249

REVENUES OVER EXPENDITURES \$15,795

TOTAL EXPEND. & OTHER USES \$369,658

Excess Revenues and Other
 Financing Sources Over (Under)
 Expenditures and Other Uses \$15,795

SOUTH TEXAS WATER AUTHORITY	CC Water Cost
FISCAL YEAR 2022 BUDGET	\$2.62348
Special Services	Handling Charge
	\$0.426386
	M&O Tax Rate
	\$0.070971
	I&S Tax Rate
	\$0.015249

Proposed
FY 2021

REVENUES	Budget
Ricardo Water Supply Corporation	\$339,962
Nueces Water Supply Corporation	\$332,004
TOTAL SPECIAL SERVICES REVENUE	\$671,965

EXPENDITURES	
Personnel	\$360,947
Overhead	\$311,018
TOTAL EXPENDITURES	\$671,965

REVENUES OVER EXPENDITURES	\$0
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OTHER USES	
Transfer to Revenue Fund (Tax)	\$0

ATTACHMENT 5
Banquete Pump Station

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: Update on Banquete Pump Station (PS) Project to Serve the Nueces Water Supply Corporation (NWSC) and Nueces County Water Control and Improvement District #5

Background:

Enclosed are the most recent emails pertaining to the Banquete Pump Station. As you can see, another Texas Water Development Board (TWDB) walk-through to finalize the project has not been scheduled due to outstanding punch list items. The training listed in the email correspondence should be scheduled in the very near future.

Analysis:

Staff had hoped the project's final paperwork would be complete in order to continue with the transfer of title for the new infrastructure. The TWDB must close the project before the Nueces County Commissioners Court can provide a bill of sale to NWSC for the new pump station/waterlines and STWA for the improvements at the original Banquete PS.

Staff Recommendation:

Keep the Board updated on this project.

Board Action:

Provide feedback to staff.

Summarization:

This project truly is very close to completion. Unfortunately, there does not appear to be any procedures for the TWDB to declare the project complete unless every, single item is done.

From: J. S. Haren <jsharen@jsharen.com>
Sent: Thursday, June 17, 2021 2:00 PM
To: mercercontrols@aol.com; Jackie Whitmore
Cc: Jeff Dean; Matt Chapa; Robert Viera; Hector Castaneda; John Miller; Joe Martinez; Joe Trejo; 'mcserrato@stwa.org'; Natalie Eckstrom; Maria M. Bedia
Subject: Re: Banquete Pump Station Project Job Completion

Sherrill/Jackie,

Please review email below and advise of two days (from the list below) that work and hopefully both of you choose at least one day that is the same.

Thanks,

Sky

J S Haren
J S Haren Company
1175 Hwy 11 N
Athens, Tennessee 37303
(423)745-5000
(423)745-5252 Fax

From: Joe Trejo <jtrejo@ardurra.com>
Sent: Thursday, June 17, 2021 2:57 PM
To: J. S. Haren <jsharen@jsharen.com>; Jackie Whitmore <jackie@jcsindustries.us.com>; 'mcserrato@stwa.org' <mcserrato@stwa.org>; Maria M. Bedia <maria.bedia@nuecesco.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>
Cc: mercercontrols@aol.com <mercercontrols@aol.com>; Jeff Dean <jdean@cfi.services>; Matt Chapa <mchapa@jcsindustries.us.com>; Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; Joe Trejo <jtrejo@ardurra.com>; John Miller <jamiller@ardurra.com>; Joe Martinez <jmartinez@bathgroup.com>
Subject: RE: Banquete Pump Station Project Job Completion

Thanks Sky –

Unfortunately, STWA has the TCEQ present on Wednesday June 23rd to collect quarterly sampling from all their water sites and cannot be present –

They can meet Monday June 21, Tuesday June 22, Thursday June 24 or Friday June 25 – let us know what's a good schedule day for all -

Also, please be sure all items on the punch list are completed, included submission of well plugging and windstorm paperwork –

Thanks Again -



Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: John Miller <jamiller@ardurra.com>

Sent: Thursday, June 17, 2021 12:40 PM

To: J. S. Haren <jsharen@jsharen.com>; Jackie Whitmore <jackie@jcsindustries.us.com>

Cc: mercercontrols@aol.com; Jeff Dean <jdean@cfi.services>; Matt Chapa <mchapa@jcsindustries.us.com>; Joe Trejo <jtrepo@ardurra.com>; Robert Viera <rviera@ardurra.com>

Subject: RE: Banquete Pump Station Project Job Completion

I will talk with Joe and see about getting this done. I will let you know.



John Miller
Field Representative

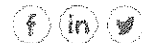
jamiller@ardurra.com

O: 361.883.1984

M: {361.510.8208

801 N. Navigation STE #200
Corpus Christi TX 78408

www.ardurra.com



From: J. S. Haren <jsharen@jsharen.com>

Sent: Thursday, June 17, 2021 12:38 PM

To: John Miller <jamiller@ardurra.com>; Jackie Whitmore <jackie@jcsindustries.us.com>

Cc: mercercontrols@aol.com; Jeff Dean <jdean@cfi.services>; Matt Chapa <mchapa@jcsindustries.us.com>; Joe Trejo <jtrepo@ardurra.com>; Robert Viera <rviera@ardurra.com>

Subject: Re: Banquete Pump Station Project Job Completion

John,

Who on your end can verify that all the owner's critical personnel can be present? We cannot do this twice.

Thanks,

Sky

J S Haren
J S Haren Company
1175 Hwy 11 N

Athens, Tennessee 37303
(423)745-5000
(423)745-5252 Fax

From: John Miller <jamiller@ardurra.com>
Sent: Thursday, June 17, 2021 1:34 PM
To: Jackie Whitmore <jackie@jcsindustries.us.com>; J. S. Haren <jsharen@jsharen.com>
Cc: mercercontrols@aol.com <mercercontrols@aol.com>; Jeff Dean <jdean@cfi.services>; Matt Chapa <mchapa@jcsindustries.us.com>; Joe Trejo <jtrepo@ardurra.com>; Robert Viera <rviera@ardurra.com>
Subject: RE: Banquete Pump Station Project Job Completion

1pm and June 23 works for me.



John Miller
Field Representative

jamiller@ardurra.com
O: 361.883.1984
M: {361.510.8208
801 N. Navigation STE #200

Corpus Christi TX 78408
www.ardurra.com



From: Jackie Whitmore <jackie@jcsindustries.us.com>
Sent: Thursday, June 17, 2021 12:31 PM
To: J. S. Haren <jsharen@jsharen.com>
Cc: mercercontrols@aol.com; Jeff Dean <jdean@cfi.services>; Matt Chapa <mchapa@jcsindustries.us.com>; Joe Trejo <jtrepo@ardurra.com>; John Miller <jamiller@ardurra.com>; Robert Viera <rviera@ardurra.com>
Subject: Re: Banquete Pump Station Project Job Completion

Yes, 1:00PM on June 23rd works for JCS.

Thank you,

Jackie Whitmore | *Inside Sales*

T: 281-353-2100 x 810 | F: 281-353-0657

E: jackie@jcsindustries.us.com

Please note that my email address has changed to jackie@jcsindustries.us.com

On Thu, Jun 17, 2021 at 12:24 PM J. S. Haren <jsharen@jsharen.com> wrote:

Can we agree to 1 PM on June 23, 2021? If so, I am passing on to the engineer to coordinate the owner.

J S Haren
J S Haren Company
1175 Hwy 11 N
Athens, Tennessee 37303
(423)745-5000
(423)745-5252 Fax

From: mercercontrols@aol.com <mercercontrols@aol.com>
Sent: Thursday, June 17, 2021 12:29 PM
To: J. S. Haren <jsharen@jsharen.com>; Jackie Whitmore <jackie@jcsindustries.us.com>
Cc: Jeff Dean <jdean@cfi.services>; Matt Chapa <mchapa@jcsindustries.us.com>
Subject: Re: Banquete Pump Station Project Job Completion

If Mercer Controls is required, I cannot arrive before 1 p.m.

Sherrel Mercer/MERCER CONTROLS INC.

On Thursday, June 17, 2021, 12:00:49 PM EDT, Jackie Whitmore <jackie@jcsindustries.us.com> wrote:

Sky,

Would next Wednesday at 10:00am work?

Thank you,

Jackie Whitmore | *Inside Sales*

JCS Industries Inc.

T: 281-353-2100 x 810 | F: 281-353-0657

E: jackie@jcsindustries.us.com

Please note that my email address has changed to jackie@jcsindustries.us.com

On Fri, Jun 11, 2021 at 2:06 PM J. S. Haren <jsharen@jsharen.com> wrote:

Sherrill/Jackie,

Please see the email below. We need the below items completed. Please propose days for training and I will run these by the engineer.

J S Haren
J S Haren Company
1175 Hwy 11 N
Athens, Tennessee 37303
(423)745-5000
(423)745-5252 Fax

From: Joe Trejo <jtremo@ardurra.com>

Sent: Friday, May 28, 2021 10:50 AM

To: J. S. Haren <jsharen@jsharen.com>; mogserrato@stwa.org <mogserrato@stwa.org>; Maria M. Bedia <maria.bedia@nuecesco.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>

Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>; jim farrow <holmestead2014@outlook.com>; Joe Trejo <jtremo@ardurra.com>; Joe Martinez <jmartinez@bathgroup.com>

Subject: Banquete Pump Station Project Job Completion

Sky – with the well plugging scheduled for next week, looking forward to final inspection –

John Miller met Dony with STWA onsite yesterday. They walked the site completely and this is the list on outstanding items.

- Station is still on Backup and Normal. This does not allow STWA personnel to change setting remotely.
- The setting for the filling of the Ground Storage Tank has not been changed by John Gross.
- CL 17 is not reading anything. We do not know when it stopped work, but is not working now.
- Need more rock.
- Training on control system from Mercer Controls.
- Training on CL and LAS buildings and controls.

Thanks again.



Joe Trejo, PE RPLS
Senior Project Engineer

jtremo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300

Corpus Christi TX, 78408

www.ardurra.com



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From: Joe Trejo <jtrejo@ardurra.com>
Sent: Thursday, June 17, 2021 2:02 PM
To: J. S. Haren; 'mcgserrato@stwa.org'; Maria M. Bedia
Cc: Robert Viera; Hector Castaneda; John Miller; Joe Trejo
Subject: FW: Banquete Well Plug Report - Submittal Forms for the State
Attachments: TX Plugging Report.pdf

Sky –

Can you please have Stapleton Drilling scan the report and resend to get a better copy to submit to the State –

Thanks



Joe Trejo, PE RPLS
Senior Project Engineer

jtrejo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: J. S. Haren <jsharen@jsharen.com>
Sent: Thursday, June 17, 2021 12:50 PM
To: Joe Trejo <jtrejo@ardurra.com>
Cc: Robert Viera <rviera@ardurra.com>; John Miller <jamiller@ardurra.com>
Subject: Fw: Banquete Well Plug Report

Joe,
Please find attached the well plugging report being submitted to the state.
Sky

J S Haren

J S Haren Company

1175 Hwy 11 N

Athens, Tennessee 37303

(423)745-5000

(423)745-5252 Fax

From: Misty Harmon <misty@jsharen.com>
Sent: Thursday, June 17, 2021 1:48 PM
To: J. S. Haren <jsharen@jsharen.com>
Subject: Re: Banquete Well Plug Report

Scanned report attached.

Misty Harmon
J. S. Haren Company
1175 Hwy 11 N
Athens, TN 37303
P: 423-745-5000
F: 423-745-5252

From: J. S. Haren <jsharen@jsharen.com>
Sent: Thursday, June 17, 2021 1:25 PM
To: Misty Harmon <misty@jsharen.com>
Subject: Re: Banquete Well Plug Report

Cannot read either. Can they scan to us?

J S Haren

J S Haren Company

1175 Hwy 11 N

Athens, Tennessee 37303

(423)745-5000

(423)745-5252 Fax

From: Misty Harmon <misty@jsharen.com>
Sent: Thursday, June 17, 2021 12:04 PM
To: J. S. Haren <jsharen@jsharen.com>
Subject: Banquete Well Plug Report

Better pic attached.

Misty Harmon
J. S. Haren Company
1175 Hwy 11 N
Athens, TN 37303
P: 423-745-5000
F: 423-745-5252

From: Judy Stapleton <stapletonwater@gmail.com>
Sent: Thursday, June 17, 2021 12:03 PM
To: Misty Harmon <misty@jsharen.com>
Subject: plugging report

From: J. S. Haren <jsharen@jsharen.com>
Sent: Tuesday, June 15, 2021 12:18 PM
To: jtrejo@ardurra.com
Cc: Robert Viera; John Miller; mcserrato@stwa.org; Natalie Eckstrom; Maria M. Bedia
Subject: Fw: Banquete Pump Station Project Job Completion

Joe,

Please see Mercer response below. Also, well is closed and documents regarding closure are being submitted to the Texas Groundwater Authority per the well contractor.

J S Haren
J S Haren Company
1175 Hwy 11 N
Athens, Tennessee 37303
(423)745-5000
(423)745-5252 Fax

From: mercercontrols@aol.com <mercercontrols@aol.com>
Sent: Monday, June 14, 2021 1:08 PM
To: J. S. Haren <jsharen@jsharen.com>; jtrejo@ardurra.com <jtrejo@ardurra.com>
Cc: gross144john@gmail.com <gross144john@gmail.com>; s.gabrysch@mercercontrols.com <s.gabrysch@mercercontrols.com>; m.thilman@mercercontrols.com <m.thilman@mercercontrols.com>; mercercontrols@aol.com <mercercontrols@aol.com>
Subject: Re: Banquete Pump Station Project Job Completion

Sky:

First, let me address the six items in the email from Joe Trejo:

1. IF the control system is in BACKUP, it is not in NORMAL. If it is in NORMAL it cannot be in BACKUP. If both modes show at the same time, there is a programming error. John Gross is aware of some changes that are needed, and he is working on them as much as he possibly can, since his wife has been in and out of the hospital the last few weeks. He will also visit the site to do final debug. His final corrections should be considered as warranty items and should not hold up the closure of the project.
2. Ground Storage Tank fill control is also to be revised by John Gross. Sky, there was a separate email in which you mentioned that the levels were not proper. Right now we will assume that Dony or someone else on the staff has not changed the settings on the backup controls. The backup controls will potentially over-ride the SCADA setting. We had observed that the SCADA controls did not allow the tank level to drop to the level preferred by Dony.
3. On the CL17sc: If it is unplugged, it stops working. Also, in normal use, the reagent lasts 30 to 60 days. The replacement of the reagent is not considered a responsibility of the contractor. Nueces Water Supply Corporation should already have invested in reagent supplies. They are the same part numbers for the supplies that are used in the older CL17, and the STWA should have them in stock.
4. Not applicable to us
5. The further training by us can be scheduled at any time, as I told Dony. At this moment, I am awaiting a death notification for a great-grandson, and my availability will be challenged. I am definitely unavailable all of this week.

6. Not applicable to us.

We were at the site last week or the week before and corrected a wiring error that we discovered in a review of the drawings.

MERCER CONTROLS INC./Sherrel Mercer, Pres.

* * *

In a message dated 6/11/2021 2:06:28 PM Central Standard Time, jsharen@jsharen.com writes:

Sherrill/Jackie,

Please see the email below. We need the below items completed. Please propose days for training and I will run these by the engineer.

J S Haren
J S Haren Company
1175 Hwy 11 N
Athens, Tennessee 37303
(423)745-5000
(423)745-5252 Fax

From: Joe Trejo <jtrejo@ardurra.com>
Sent: Friday, May 28, 2021 10:50 AM
To: J. S. Haren <jsharen@jsharen.com>; mcgserrato@stwa.org <mcgserrato@stwa.org>; Maria M. Bedia <maria.bedia@nuecesco.com>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>
Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>; jim farrow <holmestead2014@outlook.com>; Joe Trejo <jtrejo@ardurra.com>; Joe Martinez <jmartinez@bathgroup.com>
Subject: Banquete Pump Station Project Job Completion

Sky – with the well plugging scheduled for next week, looking forward to final inspection –

John Miller met Dony with STWA onsite yesterday. They walked the site completely and this is the list on outstanding items.

- Station is still on Backup and Normal. This does not allow STWA personnel to change setting remotely.
- The setting for the filling of the Ground Storage Tank has not been changed by John Gross.
- CL 17 is not reading anything. We do not know when it stopped work, but is not working now.
- Need more rock.
- Training on control system from Mercer Controls.
- Training on CL and LAS buildings and controls.

Thanks again.



Joe Trejo, PE RPLS
Senior Project Engineer

jtremo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



ATTACHMENT 6

Executive Director Recruitment

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: Ray Associates, Inc. (RAI) – Executive Director Retirement

Background:

Since the last meeting, Ms. Ray has reported to the Board and provided detailed information on five (5) potential candidates.

Analysis:

These candidates' qualifications were discussed during a special meeting held on June 14, 2021. The STWA Board determined to interview four (4) of the candidates. One (1) candidate had withdrawn having been hired by a special utility district.

Staff Recommendation:

Staff recommends hiring the best qualified and suited candidate as my replacement.

Board Action:

Determine, if necessary, what are the next steps to the process.

Summarization:

There are many factors to consider for the executive director's position. In my opinion and as stated previously, the prospective candidate's utility experience is a major characteristic.

ATTACHMENT 7

NCWC&ID#5 Water Supply and M&O Contracts

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 14, 2021
Re: Nueces County Water Control and Improvement District #5 (NCWCID #5 - Banquete) Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities

Background:

Information pertaining to this matter is attached as part of the agenda item pertaining to the Incremental Fees. As reported in that memo, staff cannot report when District #5 will be meeting to consider either of these contracts.

Analysis:

Progress on this matter depends on District #5 holding a meeting to conduct business.

Staff Recommendation:

Continue providing information to District #5 and inquiring about their next board meeting.

Board Action:

Determine whether any other action is necessary regarding this contract.

Summarization:

As stated last month, STWA has been responsive to the Banquete Water District's questions and concerns.

ATTACHMENT 8

NewGen Strategies and Solutions Proposal

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 14, 2021
Re: Incremental Fee – NewGen Strategies and Solutions, LLC (NewGen) Proposal

Background:

During the last meeting, the Board considered the Incremental Fee policy being charged to the Nueces County Water Control and Improvement District #5 (Banquete) as the last remaining wholesale customer that has not entered into a long-term water supply contract. In addition, the Board considered Banquete's failure to respond to continued requests by STWA to engage in contract negotiations. The Board did not make any changes to the Incremental Fee. Staff was instructed to contact NewGen, the consultant that performed the original Incremental Fee Study, to request a proposal on the cost of updating the study. Enclosed is said proposal from Mr. Chris Ekrut.

Analysis:

As mentioned during the last meeting, Office Manager Anavi King is on maternity leave. Nonetheless, District #5 has been contacted several times to inquire about their board meeting schedule. A meeting had been scheduled for June 9th; however, according to Ms. King's assistant, the board could not meet due to a lack of a quorum. I have contacted Ms. King via text to ask about a meeting this week. Her enclosed response indicates District #5's board will not be meeting. My text informs her of the STWA agenda items pertaining to District #5.

Enclosed is the NewGen proposal to update the study in the amount of \$7,500. The original study performed in 2017 was in the amount of \$12,500. That contract is enclosed. The original study examined STWA's rates including Special Services. It also examined STWA's fiscal risk in meeting its obligations at that time for the three (3) customers that had not entered into a contract, namely the City of Bishop, the City of Driscoll and District #5.

Staff Recommendation:

Staff was expecting the cost to update the report to be slightly less than \$7,500. However, staff would be disinclined to make any recommendation to change the Incremental Fee without a consultant revisiting the matter.

Board Action:

Determine whether to approve the proposal from NewGen to update the previous report.

Summarization:

Staff believes NewGen provides valuable and quality services and staff has been pleased with NewGen's responsiveness to questions and comments. In addition to the rate study, NewGen examines the City of Corpus Christi's annual rate model. Those services assist in ensuring that the City complies with the Settlement Agreement between STWA and the City. This Settlement Agreement resulted in STWA recouping just under \$1.0M in overcharges from the City by challenging the City's rate model and expenses for stormwater costs.



Anavee >

Did a NCWCID#5 meeting agenda get posted for this week? STWA is working on the agenda packet for next Tuesday's meeting (6-22-21). If a meeting was posted, are any STWA items on the agenda?

We will not be holding a meeting this week.

Ok. The contracts and a proposal to update the Incremental Fee Study will be on STWA's agenda.



Text Message



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

May 27, 2021

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

Subject: Proposal for Wholesale Water System Rate Study Update

Dear Ms. Serrato:

Based on our prior conversations, NewGen Strategies and Solutions, LLC (NewGen) is pleased to offer our services to South Texas Water Authority (STWA) to assist STWA in updating the Wholesale Water System Rate Study (Study) previously performed by members of our Project Team. The following engagement letter outlines our proposed scope of services and pricing for the engagement. On review, we look forward to discussing further with you to determine what adjustments may be needed to the scope to fully align with STWA's goals and objectives. We appreciate our relationship with STWA and look forward to continuing to serve STWA through this engagement.

PROPOSED SCOPE OF SERVICES

Based on our understanding of the requested services, NewGen proposes the following work plan. Please note that this plan will be revised and adjusted as necessary based on feedback from STWA staff at the outset of the project.

Task 1 — Data Collection

At the outset of the Project, NewGen will work with STWA staff to collect the necessary data to update the wholesale water rate calculations. This data will include, but not be limited to, contractual, financial, and operational data. As part of this data collection effort, the Project Team, as necessary, may hold discussion with STWA's bond counsel to understand STWA's current outstanding bond obligations and to ensure that the work performed by the Project Team meets necessary legal requirements.

Task 2 — Test Year Revenue Requirement

After collecting the necessary data, the Project Team will prepare a test year revenue requirement based on STWA's currently applicable Fiscal Year budget and in accordance with the procedures used in the prior Study. The Project Team will hold discussions with STWA staff to discuss and ensure we fully understand the adopted line-item budget and the various components of service provided by STWA.

Task 3 — Cost Functionalization

A critical step in updating the wholesale water rates will be to properly functionalize the test year revenue requirement developed in Task 2 to the components of service provided by STWA. The Project Team will

Ms. Carola Serrato
May 27, 2021
Page 2

use the same methodologies employed during the prior Study, but will discuss potential amendments that may be needed in light of changed service conditions between STWA and its wholesale customers.

Task 4 – Development of Wholesale Water Rates

Task 4 of the Study will calculate unit wholesale rates to the functional areas identified in Task 3. Upon completion, the Project Team will meet with STWA staff to discuss the calculations, the initial results, and to determine where adjustments may be needed.

Task 5 – Staff and Board Presentation

Upon developing draft wholesale rates, the Project Team will brief STWA staff on the results of the calculations to ensure our work accurately captures the operations of STWA. Comments from Staff will be incorporated into the work product and finalized wholesale rates will be developed. The Project Team will also prepare a letter report detailing the methodology utilized and presenting the calculated wholesale rates. Upon request, the Project Team will also present the results of the Study to the Board.

Please note that our proposed pricing for this engagement does not, at this time, contemplate any discussions or meetings with STWA's wholesale customers. However, should STWA need assistance in explaining or defending the work product, we are happy to negotiate this assistance as requested.

PROJECT TIMING

The Project Team anticipates the proposed Study will take 60 to 90 days to develop draft results for the consideration of the Board. The Project Team understands the timing of this engagement is important to meeting the longer-term goals and objectives of the Board and will seek to execute the project in the most efficient and effective manner.

PROJECT FEES

Costs incurred by NewGen under this agreement will not exceed \$7,500.00 without prior written authorization of STWA. NewGen shall not be required to furnish services or incur expenses above \$7,500.00 without prior written authorization and additional funding committed by STWA. This agreement is subject to cancellation by STWA with 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.

As services are requested and performed, NewGen will invoice STWA on a monthly basis for actual hours worked at our then applicable hourly billing rates, plus out of pocket expenses incurred at cost. Payment is due within thirty (30) days upon receipt of invoice. Our standing hourly billing rates at this time, which will remain in effect through December 31, 2021, are as follows:

Ms. Carola Serrato
May 27, 2021
Page 3

**NewGen Strategies and Solutions
2021 Billing Rates**

Position	Hourly Billing Rate
President / Managing Director / Director	\$230 - \$360
Executive Consultant	\$220 - \$320
Senior Consultant	\$190 - \$220
Consultant	\$120 - \$170
Administrative Services	\$110

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

OTHER TERMS AND CONDITIONS

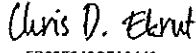
This agreement is subject to cancellation within thirty (30) days prior written notice provided to NewGen. In the event of cancellation, all labor and expense charges incurred by NewGen through the date of cancellation will be considered due at the time notice of cancellation is delivered, regardless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

Very truly yours,

NewGen Strategies and Solutions, LLC

DocuSigned by:

FB62F346CFA8440...
Chris D. Ekrut
Chief Financial Officer

Ms. Carola Serrato

May 27, 2021

Page 4

South Texas Water Authority

Signed _____

Printed _____

Title _____

Date _____

Carola Serrato

From: Carola Serrato <cserrato@stwa.org>
Sent: Friday, March 31, 2017 4:40 PM
To: 'Chris Ekrut'
Subject: RE: Revised Wholesale Rate Proposal
Attachments: NewGen STWA Contract Rate Study March 2017.pdf

Chris,

Here is the signed proposal for the rate study. As we discussed, the Board may decide to add the \$2500 model component later.

Have a good weekend,
Carola

Carola G. Serrato
Executive Director
South Texas Water Authority
P.O. Box 1701
Kingsville, Texas 78364
cserrato@stwa.org
361-592-9323 x12
361-592-5965 fax

From: Chris Ekrut [mailto:cekrut@newgenstrategies.net]
Sent: Friday, March 24, 2017 8:27 PM
To: Carola Serrato <cserrato@stwa.org>
Subject: Revised Wholesale Rate Proposal

Carola –

Based on the discussion today, please see the attached revised engagement letter. On review, please let me know if you have any questions or additionally requested edits.

Also, on another matter, I spoke with Mark Young at NCWCID No. 4 yesterday along with his legal counsel. They have been approached by Corpus to sign the two-year wholesale agreement. Based on our discussion, they are not wild about signing the proposal, and are interested in setting up a face to face meeting with the City to discuss the matter further and to see what protections the City is proposing to minimize significant swings in rates in the event the wholesale customers agree to the proposal. Mark asked me to reach out to you and see if you and your legal counsel would be interested in participating in this meeting? Please let me know at your convenience.

Thanks,
Chris

Chris Ekrut | NewGen Strategies & Solutions, LLC
Director | Environmental Practice
1300 E Lookout Dr. | Suite 100 | Richardson, TX 75082
Office: (972) 232-2234 | Mobile: (214) 498-8132
cekrut@newgenstrategies.net
Please visit us at www.newgenstrategies.net



1300 E. Lookout Drive
Suite 100
Richardson, TX 75082
Phone: (972) 680-2000

March 24, 2017
via email

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

Subject: Proposal for Wholesale Water System Rate Study

Dear Ms. Serrato:

Based on our prior conversations, NewGen Strategies and Solutions, LLC (NewGen) is pleased to offer our services to South Texas Water Authority (STWA or the Authority) to assist the Authority with requested wholesale water cost of service rate calculations. As a part of this engagement, and based on our conversations to-date, NewGen understands that the Authority seeks a qualified consultant to evaluate the Authority's current customer base and the level of service provided to each customer, and develop a system rate reflective of the cost, and associated risk, of serving customers under contract and outside of a formal contractual agreement. Additionally, the Authority's current method of calculating a payment in lieu of tax for outside District customers will also be reviewed and affirmed or recommendations made for revision as applicable. The system rates will be developed to allow ease of administration for adjustment and be reflective of the cost and risk of serving various types customers.

The following engagement letter describes the scope of services, which will be provided by NewGen. In addition, this letter clarifies the overall cost and projected timing for this study.

SCOPE OF SERVICES

Based on our understanding of the requested services, NewGen proposes the following work plan. Please note that this plan will be revised and adjusted as necessary based on feedback from Authority staff at the outset of the project.

- **Task 1 – Data Collection**

At the outset of the Project, NewGen will work with Authority staff to collect the necessary data to prepare the wholesale water rate calculations. This data will include, but not be limited to, contractual, financial, and operational data. As part of this data collection effort, the Project Team, as necessary, may hold discussions with the Authority's bond counsel to understand the Authority's current outstanding bond obligations and to ensure that the work performed by the Project Team meets necessary legal requirements.

- **Task 2 – Test Year Revenue Requirement**

After collecting the necessary data, the Project Team will develop a test year revenue requirement based on the Authority's currently applicable Fiscal Year budget. The Project Team will hold discussions with Authority staff to discuss and ensure we fully understand the adopted line-item budget and the various components of service provided by the District.

In developing the test year revenue requirement, the Project Team will calculate two specific revenue requirements – the first reflective of service under a formal contractual arrangement and the second reflective of service without a formal contract in place. Service without a contract results in a greater level of risk being placed on STWA. As such, the costs of the Authority should reflect a reasonable risk premium. In determining the appropriate risk premium for inclusion in the revenue requirement, the Project Team will be guided by the AWWA M1 Manual as well as the current substantive rules of the Public Utility Commission of Texas. Discussions will also be held with the Authority's bond counsel to discuss the inherent risk to the authority and the proper pricing of such risk.

- **Task 3 – Cost Functionalization**

A critical step in developing the wholesale water rates will be to properly functionalize the test year revenue requirement developed in Task 2 to the components of service provided by STWA. At present, the Project Team proposes to utilize the following functional categories of service; however, this may be amended through the course of the study dependent upon the ability to accurately identify cost causal factors.

- Source Cost – Corpus Christi Water
- Regional System Transmission Costs
- Special Services (including Pump Station Operations and Management Operations)

- **Task 4 – Development of Wholesale Water Rates**

Task 4 of the Study will calculate unit wholesale rates to the functional areas identified in Task 3. During this task, the Project Team will also review the Authority's current method of calculating a payment in lieu of tax specific to customers located outside the Authority's jurisdictional taxation boundaries. To the extent the Project Team has any recommendations for amending this calculation, these will be discussed with STWA staff. If no recommendations are apparent, then the Project Team will provide affirmation of same.

- **Task 5 – Staff and Board Presentation**

Upon developing draft wholesale rates, the Project Team will brief STWA staff on the results of the calculations to ensure our work accurately captures the operations of STWA. Comments from Staff will be incorporated into the work product and finalized wholesale rates will be developed. The Project Team will also prepare a letter report detailing the methodology utilized and presenting the calculated wholesale rates. Upon request, the Project Team will also present the results of the Study to the Board.

Please note that our proposed pricing for this engagement does not, at this time, contemplate any discussions or meetings with STWA's wholesale customers. However, should the Authority need assistance in explaining or defending the work product, we are happy to negotiate this assistance as requested.

- **Task 6 – Finalize Wholesale Rate Model (Optional Service)**

The development of the wholesale water rates will necessitate the development of a wholesale electronic rate model to input costs, functionalize said costs into appropriate cost centers based on cost-causal factors, and calculate rates based on a variety of operational characteristics. If requested by STWA, the Project will finalize the rate model for on-going use by STWA staff. After

finalization, the Project Team will conduct an on-site, hands-on training session with STWA staff covering the model's proper function and maintenance.

PROJECT TIMING

Assuming notice to proceed is received by March 31, 2017 and the timely receipt of all necessary data, NewGen anticipates that the draft wholesale rates will be ready for discussion with STWA within sixty (60) days.

PROJECT FEES

Based on the scope of services outlined above, NewGen estimates that the services outlined above can be provided for a not-to-exceed project price of \$12,500, exclusive of the finalization of the optional rate model. If STWA desires the rate model to be finalized for staff use, such services will be provided for an additional amount of \$2,500.

NewGen will only invoice the Authority for the actual time and expenses incurred to perform the requested services up to the not-to-exceed project amount. Payment will be due within thirty (30) days upon receipt of invoice. Our standing hourly billing rates at this time, which will remain in effect through the duration of the project, are as follows:

NewGen Strategies & Solutions Billing Rates

Position	Billing Rate
General Manager /President	\$265 - \$295
Director/Executive Consultant/Vice President	\$210 - \$295
Senior Consultant	\$160 - \$210
Staff Consultant	\$140 - \$160
Analyst	\$120 - \$140
Administrative Assistant	\$ 85

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 the Authority 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 outcome of the engagement.

Ms. Carola Serrato
March 24, 2017
Page 4

NewGen looks forward to assisting STWA in this engagement and appreciates the opportunity to once again work with the Authority. 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.

Very truly yours,
NewGen Strategies & Solutions, LLC



Chris D. Ekrut
Director, Environmental Practice

STWA – Wholesale Water System Rate Study (\$12,500)

Signed Carola G. Serrato Printed Carola G. Serrato
Title Executive Director Date 3-31-17

STWA – Wholesale Water Model Finalization (\$2,500)

Signed _____ Printed _____
Title _____ Date _____

ATTACHMENT 9

February 2021 Freeze Event

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: February 2021 Freeze Event – Status Update

Background:

Last week, several insurance claim payments were received from the Nueces and Ricardo Water Supply Corporations' carriers. Enclosed are the updated spreadsheets. As you can see, for the pump stations located in Nueces County, there are a few items that will require reimbursement to STWA.

Analysis:

Ms. Frances DeLeon, STWA Business/Risk Manager, has discussed the status of claims and in particular the overtime expenditures experienced by all three (3) entities – STWA, NWSC and RWSC. The insurance companies have requested additional information that directly ties covered equipment to the overtime. The additional information has been provided and staff is awaiting a response.

Staff Recommendation:

Keep the Board updated on any insurance claims.

Board Action:

Provide feedback to staff.

Summarization:

Staff believes considerable progress has been made on recouping the cost of this storm.

**Freeze Event Totals - All Nueces Stations
as of 6-10-2021**

		1st Insurance Reimbursement	
		NWSC	STWA
	Expenses		
Materials	\$13,704.78	\$0.00	\$0.00
Scott Electric	\$3,254.62	\$0.00	\$0.00
Stewart and Stevenson	\$5,976.85	\$4,979.00	\$0.00
MNI	\$5,598.43	\$3,656.63	\$0.00
Miscellaneous	\$253.07	\$0.00	\$0.00
Overtime	<u>\$4,735.86</u>	<u>\$0.00</u>	<u>\$0.00</u>
	\$33,523.61	\$8,635.63	\$0.00
		1st & 2nd Ins.	Bal. after Ins.
NWSC Cost	\$29,270.08	\$30,491.29	(\$1,221.22)
STWA Cost	<u>\$4,253.54</u>	\$ 2,463.73	
	\$33,523.61		

Based on NWSC Reimbursing STWA for STWA's direct payment to vendors.

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

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

Material \$1,730.26 *

Scott Electric \$385.00 *

Overtime \$765.95

\$2,881.21

NWSC Cost \$2,498.24

STWA Cost \$382.98

\$2,881.21

NWSC Insurance Reimbursement Not yet filed

STWA Insurance Reimbursement TBF

*To be filed with TML - for STWA

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

Description	Material Cost	Complete?	Update
Couplings on Ground Storage Tank Transmitter cracked	\$ 27.95	Yes	Repaired during freeze event
Couplings on Meter Run Transmitter cracked	\$ 27.95	Yes	Repaired during freeze event
Elevated Tank Transmitter not working-pumps not turning on	None	Yes	Scott Electric assisted with repair.

Material \$ 55.90
 Scott Electric \$ 411.33
 Overtime \$ 236.93
 \$ 704.16 *

NWSC Cost \$ 352.08
 STWA Cost \$ 352.08

NWSC Insurance Reimbursement Not yet filed
 STWA Insurance Reimbursement TBF

*Will be filed with TML - for STWA

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

Description	Material Cost	Complete?	Update
Flow control switches and Motor Operated Valve control switch frozen	None	Yes	Repaired during freeze event
Couplings/Piping on Disinfection Lines cracked	\$111.79	Yes	Repaired during freeze event
Meter Gaskets and Belts	\$59.32	Yes	Repaired during freeze event
Valve on Meter Run Bypass cracked	\$503.40	Yes	Repaired during freeze event
Cracked Valve on Hydro-pneumatic tank	\$499.42	Yes	Blind flanged to stop leak - fixed during Reg hrs by FTs
Automatic Transfer Switch (ATS) on Emergency Generator stopped working	None	Yes	Repaired during freeze event

Material	\$1,173.93	
Scott Electric	\$ 315.00	*
Stewart and Stevenson (generator)	\$ 339.75	*
Overtime	\$ 956.59	
	<u>\$2,785.27</u>	
NWSC Cost	\$2,130.52	
STWA Cost	\$ 654.75	*
NWSC Insurance Reimbursement	\$2,018.73	
STWA Insurance Reimbursement	TBF	

* Will be filed with TML - for STWA

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

Description	Material Cost	Complete?	Update
Couplings on Pressure Transmitters broke	\$ 55.90	Yes	Repaired during freeze event
Meter Gaskets and Belts	\$59.32	Yes	Repaired during freeze event
Valve on Hydro-pneumatic tank cracked (STWA Hydro)*	\$ 499.42	Yes	Blind flanged to stop leak - fixed during Reg hrs by FTs
Motor Operated Valve stopped working	None	Yes	Repaired during freeze event
One of 5 pumps leaking from seals	None yet	No	This still needs to be repaired.

Material \$ 614.64
 Overtime \$ 431.92
 \$ 1,046.56

NWSC Cost \$ 215.96
 STWA Cost \$ 830.60
 \$ 1,046.56

NWSC Insurance Reimbursement \$ 990.67 NWSC will need to
 STWA Insurance Reimbursement TBF Reimburse STWA

*Hydro was listed on NWSC schedule

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

Description	Material Cost	Complete?	Update
Rosemont Pressure Transmitter on City's Elevated Tank not working so pumps would not turn on	None	Yes	Repaired during Reg Hrs by Field Personnel
Piping on Disinfection Lines cracked	\$55.90	Yes	Repaired during Reg Hrs by Field Personnel
Meter Gaskets and Belts	\$59.32	Yes	Repaired during freeze event
Valve on Meter Run Bypass cracked	503.39	Yes	Repaired during Reg Hrs by Field Personnel
Coupling on Flow Switch Cracked	See Disinfection item	Yes	
Pump for Elevated Tank would not work in Automatic	None	Yes	
City Pump Check Valve	\$730.69	No	Check Valve needs replacing - ordered/delivered

Material \$1,349.30
 Scott Electric \$ 560.00 *
 Overtime \$ 247.66
 \$2,156.96

NWSC Cost \$ 123.83
 STWA Cost \$ 2,033.13
 \$ 2,156.96

NWSC Insurance Reimbursedment \$ 1,541.07 NWSC will need to
 STWA Insurance Reimbursement TBF Reimburse STWA

*Will be filed with TML - for STWA

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

Description	Material Cost	Complete?	Update
Cla-Val Valve which allows Storage Tank to fill not working	\$6,400.00	Yes	Repaired after the freeze during Reg hrs by field personnel
Isolation valves on Pump Station Meter Cracked	\$982.14	Yes	Repaired after the freeze during Reg hrs by field personnel
Meter Gaskets and Belts	\$59.32	Yes	Repaired during freeze event
Disinfection lines cracked and frozen	\$111.79	Yes	Repaired during freeze event
Meter Froze - Replacement not necessary	None	Yes	Tested by Gary Faber, FMS, within +/-2%
Control Panel on Emergency Generator burned out	See below	Yes	Temporary service during freeze, repaired after event
Follow-up repairs - 2 Work Orders - In-house	\$1,227.50		

Material	\$8,780.75
Scott Electric (hooked up temp generator /bought wiring)	\$1,583.29
Stewart and Stevenson (generator rental)	\$5,637.10
MNI (diagnosed problem w/ generator control panel - then replaced)	\$5,598.43
O'Reilly's (battery/lock) Lowe's (various parts)	\$253.07
Overtime	<u>\$2,096.81</u>
	\$23,949.45
NWSC Cost	\$23,949.45
STWA Cost	\$0.00
NWSC Insurance Reimbursement	\$17,305.19
STWA Insurance Reimbursement	None Filed

Ricardo Water Supply Corporation - February Freeze Event Problems and Status
17-Jun-21

PS	Problem	Status
1	10" valve on MR Bypass needs to be replaced - cracked	Valve is in stock but has not been changed out
1	All pvc plumbing in disinfection bldgs cracked/leaked.	All have been fixed or replaced.
1	Disinfection 3/4" valves broke.	All have been fixed or replaced.
1	Flow switches on GST and EST stopped working.	All have been fixed.
1	Pumps not working in auto. No signals coming in.	PS is working in auto again.
1	PSI Level Control and copper line on EST froze.	Working again.
2	Southeast GST cracked at top of tank.	Level is below crack. Not leaking. Insurance will NOT reimburse
2	Flow Switch on EST was not working.	Working again.
2	Meter Run froze.	Back to normal operations.
3	No power and no emergency generator.	PS back online but problems with pumps.
3	MR piping to GST separated.	Piping repaired STWA WO# 6548

Overtime Cost from Freeze Event \$2,115.44
Material and Vendor Expenses \$1,858.65
PS #3 Piping \$690.00
Total as of 6-17-21 **\$4,664.09**
Insurance Reimbursements less \$1000 deductible \$3,674.09
\$990.00

ATTACHMENT 10

Annexation Petition – Villarreal

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 14, 2021
Re: Annexation – Resolution 21-13 – Bobbie Villarreal and Ray Villarreal – Tracts 40 and 41, Cyndie Park Unit II, Nueces County, Texas

Background:

As the Board is aware, properties that are not within South Texas Water Authority's district boundaries but requesting retail water service from the NWSC are required to be annexed into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically a retail water bill from NWSC and property taxes to STWA. Ms. Bobbie Villarreal and Mr. Ray Villarreal contacted our office to request service in the Cyndie Park II subdivision and filed an annexation petition.

Analysis:

Adoption of Resolution 21-13 completes the annexation process and enables the NWSC to provide retail service to Mr. and Mrs. Villarreal.

Staff Recommendation:

Adopt Resolution 21-13.

Board Action:

Determine whether to adopt Resolution 21-13.

Summarization:

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

ATTACHMENT 11

Resolution 21-13

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 22ND DAY OF JUNE, 2021, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Brandon W. Barrera, President	Frances Garcia
Jose M. Graveley, Vice-President	Kathleen Lowman
Imelda Garza, Secretary/Treasurer	Angela N. Pena
Rudy Galvan, Jr.	Patsy A. Rodgers

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 22nd day June, 2021.

Imelda Garza, Secretary
Board of Directors

Brandon W. Barrera, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 21-13

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 20th day of May, 2021.

Bobbie Villarreal
Bobbie Villarreal

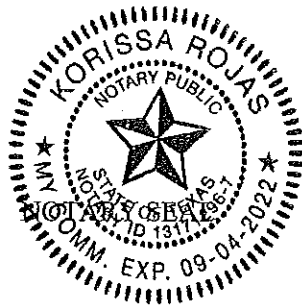
Ray Villarreal
Ray Villarreal

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

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



Korissa Rojas
Notary Public

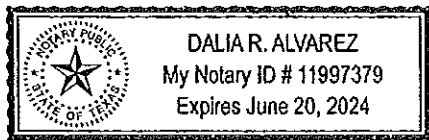
My Commission Expires: 09-04-2022

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

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



Dalia R. Alvarez
Notary Public

My Commission Expires: June 20, 2024

NOTARY SEAL

Exhibit "A"

To

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

Property Description

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

ATTACHMENT 12

FY 2021 Truck Purchase

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: FY 21 Truck Purchase

Background:

Enclosed is information regarding the truck (or lack thereof) which the Board approved as part of the FY 21 budget as well as awarded to Caldwell Chevrolet (Caldwell). Dony Cantu, O&M Supervisor, began contacting the salesperson with Caldwell several months ago to inquire about the truck's delivery. Beginning attempts were made by telephone and later in writing by email.

Analysis:

I have discussed this matter with Bill Flickinger, Willatt and Flickinger. The arrival of the truck, according to Mr. Ben Laureno, Caldwell, is possibly the end of 2021 or beginning of 2022. In addition, the vehicle will be a 2022 model. None of these details are in compliance with the specifications and submitted bid. As such, Mr. Flickinger advises that STWA can cancel the order.

In addition, you will note that Mr. Laureno fails to respond to my question regarding the price of the 2022 vehicle. Although, Mr. Laureno has verbally told Mr. Cantu that the price will remain the same.

Staff acknowledges that there is a semiconductor shortage (see enclosed article). The availability of other makers' trucks will most probably be affected. There is one item, however, that is definite. The cost of the new vehicle will not be part of FY 21's budget.

Staff Recommendation:

There are at least two (2) options available: cancel the order and solicit bids again or wait for the 2022 model. Neither option is particularly appealing given the scarcity of vehicles and likely higher price tag.

Board Action:

Determine whether to cancel the order. Determine whether to solicit bids again. Or, determine to wait until the chip situation is no longer an issue.

Summarization:

This matter has an impact on the assignment of vehicles to field personnel. Mr. Cantu will be interviewing two (2) candidates for the remaining field tech vacancy. If hired, the employee will not be assigned a unit immediately.

mcserrato@stwa.org

From: Ben Laureano <ben@caldwellcountry.com>
Sent: Wednesday, June 2, 2021 3:41 PM
To: mcserrato@stwa.org; 'Dony Cantu'
Cc: Adrienne Gattis; Averyt Knapp; Chris Collins; 'Frances Rosales'; 'Jo Ella Wagner'; ngomez@stwa.org
Subject: RE: SOUTH TEXAS WATER AUTHORITY - 2022 CHEV 2500 DBL CAB 4WD LWB (CK20953)

Ms. Serrato, November-December is scheduled production (Plant starts 9/26). We figure 60 days later this one will be built.

STWA will see around end of year/early next year.

BEN LAUREANO
Fleet/Commercial Operations
979.567.6155

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, May 18, 2021 4:44 PM
To: Ben Laureano <ben@caldwellcountry.com>; 'Dony Cantu' <dcantu@stwa.org>
Cc: Adrienne Gattis <agattis@caldwellcountry.com>; Averyt Knapp <averyt@caldwellcountry.com>; Chris Collins <chris@caldwellcountry.com>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; ngomez@stwa.org
Subject: RE: SOUTH TEXAS WATER AUTHORITY - 2022 CHEV 2500 DBL CAB 4WD LWB (CK20953)
Importance: High

Ben,

What does this mean in terms of price and possible delivery date?

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

From: Ben Laureano <ben@caldwellcountry.com>
Sent: Tuesday, May 18, 2021 4:28 PM
To: Dony Cantu <dcantu@stwa.org>; mcserrato@stwa.org
Cc: Adrienne Gattis <agattis@caldwellcountry.com>; Averyt Knapp <averyt@caldwellcountry.com>; Chris Collins <chris@caldwellcountry.com>
Subject: RE: SOUTH TEXAS WATER AUTHORITY - 2022 CHEV 2500 DBL CAB 4WD LWB (CK20953)

Dony,

GM hasn't assigned an Order # yet. As of now, this order was pushed out to a 2022 model. There's a semiconductor chip shortage which is causing major delays at the production plant.

Thank you for your patience,

BEN LAUREANO

Fleet/Commercial Operations
979.567.6155

From: Dony Cantu <dcantu@stwa.org>
Sent: Monday, December 14, 2020 3:14 PM
To: Ben Laureano <ben@caldwellcountry.com>
Subject: Re: SOUTH TEXAS WATER AUTHORITY

Po 13710

Sent from my iPhone

On Dec 14, 2020, at 3:13 PM, ben@caldwellcountry.com wrote:

Please confirm email.

BEN LAUREANO
Fleet/Commercial Operations
979.567.6155

From: ben@caldwellcountry.com <ben@caldwellcountry.com>
Sent: Wednesday, December 9, 2020 9:45 AM
To: 'Averyt Knapp' <averyt@caldwellcountry.com>; dcantu@stwa.org
Cc: 'Adrienne Gattis' <agattis@caldwellcountry.com>
Subject: RE: SOUTH TEXAS WATER AUTHORITY

Donnie, please confirm receipt of email. PO# 13710

We'll get this unit order.

BEN LAUREANO
Fleet/Commercial Operations
979.567.6155

From: Averyt Knapp <averyt@caldwellcountry.com>
Sent: Wednesday, December 9, 2020 9:30 AM
To: Ben <ben@caldwellcountry.com>
Cc: Adrienne Gattis <agattis@caldwellcountry.com>
Subject: RE: SOUTH TEXAS WATER AUTHORITY

I quoted this one. It's in my file drawers under South Texas Water. If they have question, that is where file is. Have them send a PO and I will order Friday or over weekend.

From: ben@caldwellcountry.com <ben@caldwellcountry.com>
Sent: Wednesday, December 9, 2020 9:28 AM
To: Chris Collins <chris@caldwellcountry.com>

Cc: Averyt Knapp <averyt@caldwellcountry.com>
Subject: SOUTH TEXAS WATER AUTHORITY

Averyt/Chris,

Donnie just called saying we won the bid, not sure who's customer this is. He was quoted on a 2021 2500HD. Let me know if I need to assist w/ anything.

Thank you,

BEN LAUREANO
Fleet/Commercial Operations
Caldwell Country Chevrolet
ben@caldwellcountry.com
800 State Highway 21 East, Caldwell, TX 77836
979.567.6155

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The 2021 Chevy Silverado Is Suffering From the Chip Shortage

by Allison Barfield on April 12, 2021

ADVERTISEMENT

Uh oh, the 2021 Chevy Silverado is the latest truck model to struggle with the semiconductor chip shortage. The Chevy Silverado 1500 and heavy-duty Silverado models could face production delays as the chip shortage reaches critical levels.

The 2021 Chevy Silverado might be delayed

According to Torque News, the 2021 Chevy Silverado 1500 and heavy-duty models might be struggling due to the chip shortage. The GMC Sierra and heavy-duty models may be facing trouble as well.

As a result, General Motors is now canceling weekend overtime shifts at the Fort Wayne Assembly plant that builds these truck models. Potential buyers may have trouble finding the new truck and large SUV models that they want.



2021 Chevy Silverado High Country | Chevrolet

Some customers have decided that they will wait it out until they can get the vehicle with all the bells and whistles they want. However, others are settling for cheaper, used options without the features they want.

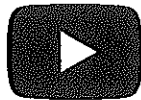
The auto industry could lose up to \$60 billion in sales during the first half of the year due to delays caused by the chip shortage. Mary Barra, GM Chairman, and CEO mentioned that GM could lose about two billion.

How will the Chevy Silverado cope?

At first, General Motors began taking steps in an attempt to sidestep the chip shortage by building the 2021 Chevy Silverado without the chips until more become available.

The semiconductor chip is used in the engine to save fuel. Without the chips, the trucks will be getting about one less mpg. This is a pretty big deal based on how many miles you drive.

2021 Chevy Silverado 1500 LT: Should You Consid...



RELATED: Chevy Silverado Sales Are Hurt By One Unfortunate Factor

Now GM is taking things a step further by shutting down or slowing down production at plants that manufacture vehicles that aren't as popular. They are saving the chips for the best-selling trucks and SUVs instead.

GM confirmed that they will cancel most of its summer changeover closures in an attempt to make up for the production delays. They aren't alone.

Ford and Stellantis are also being affected. Ford is also planning on working through usual summer shutdowns to try and catch up on production, but Stellantis hasn't commented on its plan yet.

Why is there a chip shortage?

The semiconductor shortage is being caused by high demand. The computer chips are needed to power new electronics in newer vehicles. They also enable computing power for personal electronics like the insanely popular PS5.

Plus, the pandemic caused a rise in the need for computers and phones as people began working from home and their kids started attending school remotely.

2021 Chevrolet Silverado LT Trail Boss | Chevrolet

The 2021 Chevy Silverado and other trucks won't simply wait for more chips. Auto manufacturers are taking action. Next week, executives from the Detroit Three are scheduled to meet with White House representatives to discuss the shortage.

It could be beneficial to have more semiconductor chips manufactured in America, so the United States doesn't have to rely heavily on Asian companies to produce them.

One looming concern involves the worry that the semiconductor shortage could delay economic recovery. Auto manufacturers are already struggling to catch on on production after Coronavirus (COVID-19) related shutdowns.

Tags: **CHEVY SILVERADO** **GENERAL MOTORS** **GMC** **SIERRA**

ADVERTISEMENT

ATTACHMENT 13

Board of Directors Training

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: Board Training – Texas Rural Water Association

Background:

This item is being included on the agenda at the request of Board President Brandon Barrera. Enclosed are the memos from the previous agenda packets. Also enclosed are email updates which include information on training. Board meeting minutes are attached for December 2020 and January 2021. I have also taken the liberty of including emails specific to the subject.

It was staff's understanding that individual Board Members could sign-up for on-line training and request reimbursement from STWA for the cost. Link information has been provided as shown in the attached emails.

Analysis:

As stated above, this item was included on the agenda at Mr. Barrera's request.

Staff Recommendation:

Determine whether there are any specific training needs for the Board as a whole.

Board Action:

Determine whether to pursue training through TRWA, in-house only or with another source of assistance.

Summarization:

The Board, as a group, needs to provide direction to staff if specific training is desired by a majority of the Members.

SOUTH TEXAS WATER AUTHORITY

Regular Board of Directors Meeting

December 8, 2020

Minutes

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

See pg 5

Board Members Present:

Brandon Barrera
Jose Graveley
Kathleen Lowman
Lupita Perez
Patsy Rodgers
Imelda Garza

Board Members Absent:

Rudy Galvan, Jr.

Staff Present:

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

Guests Present:

Baldemar Garcia
Ann Marie Torres

1. Call to Order.

Mr. Brandon Barrera, Board Vice-President, called the Regular Meeting of the STWA Board of Directors to order at 5:35 p.m. A quorum was present.

2. Citizen Comments.

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

3. New Board member's oaths of office.

Ms. De Leon administered the Oath of Office to Ms. Imelda Garza who was appointed to Place 9 by the Kleberg County Commissioner's Court to fill the unexpired term of Mr. Filiberto Treviño.

4. Election of officers – Secretary/Treasurer.

Mr. Barrera nominated Mr. Graveley for Secretary/Treasurer and Ms. Perez seconded the motion. No other nominations were made. Ms. Lowman moved that Mr. Graveley be appointed Secretary/Treasurer by acclamation. Ms. Perez seconded. All voted in favor.

5. Approval of Minutes.

Ms. Lowman made a motion to approve the corrected minutes of the September 29, 2020 Regular Meeting, and the minutes of the October 27, 2020 Regular Meeting, November 5, 2020 Management Selection Standing Committee meeting and November 17, 2020 Special Meeting as presented. Mr. Graveley seconded. The motion passed by unanimous vote.

6. Treasurer's Report/Payment of Bills.

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

Updated September reports:

STWA Revenue Fund Balance Sheet – September 30, 2020
STWA Revenue Fund GL Account Summary Report as of September 30, 2020
STWA Debt Service Fund Balance Sheet – September 30, 2020
STWA Debt Service Fund GL Account Summary Report as of September 30, 2020
STWA Capital Projects Fund Balance Sheet – September 30, 2020
STWA Capital Projects Fund GL Account Summary Report as of September 30, 2020

Treasurer's Report for period ending October 31, 2020
Revenue Fund Income Statement for period ending October 31, 2020
Tax Fund Income Statement for period ending October 31, 2020
Special Services Income Statement for period ending October 31, 2020
STWA Revenue Fund Balance Sheet – October 31, 2020
STWA Revenue Fund GL Account Summary Report as of October 31, 2020
STWA Debt Service Fund Income Statement for period ending October 31, 2020
STWA Debt Service Fund Balance Sheet – October 31, 2020
STWA Debt Service Fund GL Account Summary Report as of October 31, 2020
STWA Capital Projects Fund Income Statement for period ending October 31, 2020
STWA Capital Projects Fund Balance Sheet – October 31, 2020
STWA Capital Projects Fund GL Account Summary Report as of October 31, 2020
FY 2020 Cathodic Protection Expenses Breakdown
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor
Cathodic Protection Update

The following outstanding invoices were presented for Board approval:

• Time Clock Plus	\$ 3,609.00
• DXP Enterprises	\$ 5,990.35
• NewGen Strategies	\$ 1,500.00
• Willatt & Flickinger	\$ 1,272.00
• TML-IRP	\$ 8,916.04
• Pittsburg Tank & Tower Maintenance Co.	\$ 35,794.00
• City of Corpus Christi	\$ 137,553.07
• Force Flow	\$ 3,055.42
• U. S. Underwater	\$ 1,575.00
• Kevin Kieschnick-NC Tax Assessor	\$ 18,238.77
• John Womack & Co., P.C.	\$ 8,425.00
• Willatt & Flickinger	\$ 1,174.70
• Kleberg County Appraisal District	\$ 5,179.40
• TML-IRP	\$ 41,365.80

Updated September reports were presented because of adjustments resulting from the audit. The adjustments were made in the September reports in order to proceed with the October reports. A motion was made by Ms. Lowman and seconded by Mr. Graveley to approve the Treasurer's Reports and payment of the bills as presented. The motion carried.

7. Update on purchase of camera system.

Ms. Serrato reported that a camera system with on-site and cloud storage was purchased as authorized by the Board. She added that the majority of the up-front cost of the system should be covered by the savings on the fiberglass buildings budgeted in FY 21. No Board action was necessary.

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

Ms. Serrato presented Invoice #2 from Nueces County in the amount of \$90,767.50. In addition, she presented the newest invoice in the amount of \$79,388.79 received earlier in the day by email. She requested approval to pay both invoices. Ms. Rodgers made a motion to authorize payment of both invoices. Ms. Lowman seconded. All voted in favor.

9. City of Bishop – Easement for Bishop East Pump Station.

- LNV Proposal for Survey Work at Bishop East Pump Station

Ms. Serrato presented a quote of \$6,000 from LNV for surveying services associated with the Bishop East Pump Station easement. The areas to be surveyed for STWA are the area occupied by the pump station building and piping and the area occupied by the underground waterline extending from Business 77 through the park and into the pump station. Metes and bounds descriptions will be attached to the easement as exhibits. She added that the Nueces Water Supply Corporation Board approved LNV to perform the same work for the area of the ground storage and hydro-pneumatic tanks. Ms. Lowman made a motion to approve utilizing the services of LNV in the amount of \$6,000 for the associated work to obtain a metes and bounds description of the pump station and waterline as needed. Ms. Rodgers seconded the motion and all voted in favor.

10. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Carlos Ysassi, III, Tract 25, Cyndie Park Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The owner of the property recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries which is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 20-34 setting the Public Hearing on January 26, 2021 at 5:30 p.m. at the STWA conference room.

11. Resolution 20-34. 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. (Carlos Ysassi, III).

Mr. Graveley made a motion to adopt Resolutions 20-34 setting the Public Hearing on January 26, 2021 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Ms. Perez and passed unanimously.

12. Bids for purchase of Fiscal Year 2021 three-quarter ton pickup truck.

Ms. Serrato stated that bid packets were delivered to several dealerships and a request for bids was posted with BuyBoard. Four bids were received. The lowest bid was submitted by Caldwell Country Chevrolet of Caldwell, Texas at an amount of \$29,940.

13. Resolution 20-35. Resolution awarding the bid for the purchase of one ¾ ton pickup truck.

Ms. Lowman made a motion to adopt Resolution 20-35 awarding the bid for the purchase of one ¾ ton pickup truck to Caldwell Country Chevrolet in the amount of \$29,940. Mr. Barrera seconded. All voted in favor.

14. Ray Associates, Inc. proposal for recruitment of Executive Director.

Ms. Serrato stated that Ray Associates Inc.'s recruitment process would take about three months. The cost is \$30,000 invoiced at \$10,000 per month with estimated additional expenses of \$2,000. She pointed out that the process is very detailed and will require Board involvement which she feels is best accomplished by having a special meeting. Mr. Barrera voiced his preference to table action on this item until Mr. Galvan is present. Mr. Graveley made a motion to hold off on this item until the full Board is available for discussion. Ms. Perez seconded. The motion passed on a vote of five to one. Ms. Serrato stated that she would contact Ms. Katherine Ray about the Board's decision.

15. City of Driscoll Payment Plan.

Ms. Serrato informed the Board that the City of Driscoll signed the payment plan. On December 3rd, the City dropped off payments for the current water invoice, the operations and maintenance invoice, and the \$5,000 monthly payment.

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

Ms. Serrato stated that the City of Corpus Christi provided a draft water supply contract. She discussed the contract with Mr. Bill Flickinger and expects him to have a response ready for the Board to review at the January 26, 2021 meeting. She noted that the contract includes a take or pay which is not appropriate for STWA's situation because STWA serves municipalities. She is unsure if this clause was included in error. Mr. Graveley stated he would like to know if the clause was included intentionally or in error. Ms. Serrato responded that Mr. Flickinger is working on a response. She added that she expects negotiations to take a while to complete.

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

Ms. Serrato said that NCWC&ID #5 should be meeting on December 9th but she does not know if the contracts are on the agenda. The District's office manager should be notifying Ms. Serrato about whether or not the contract will be included on the agenda. There had been a delay on getting the contracts to the District's legal counsel, Gerald Benadum, due to them being mailed to an incorrect address but Mr. Benadum is believed to be reviewing the documents for the District. Ms. Serrato added that Mr. Benadum is familiar with this type of water contract. She had nothing further to report.

18. Personnel Policies – Selection of Sections for Possible Revisions.

19. STWA Long-Term Goals.

20. Personnel Policies – Pandemic Guidelines.

21. Board of Directors Training.

Mr. Graveley made a motion to table items 18, 19, 20 and 21 until the next meeting to allow Mr. Galvan an opportunity to participate in discussions. Ms. Lowman seconded. All voted in favor.

22. Management hourly pay.

Ms. Serrato stated that this item came up immediately following the Special Meeting on November 17, 2020 when the Board decided to make an offer on the O&M Supervisor position. She added that she believes that Mr. Galvan would probably like to participate in this discussion. Ms. Lowman made a motion to table this item. Mr. Barrera asked what specifically brought it up and if it was another employee and Ms. Serrato responded that a manager approached her and that the other manager was in agreement. She explained that the action on setting a pay range occurred in open session and the manager felt what was being offered was unfair.

Mr. Barrera then announced that the Board would convene in Executive Session at 6:33 p.m. pursuant to Section 551.074 of the Government Code to discuss management salaries. The Board reconvened in Open Session at 6:47 pm. No action was taken during Executive Session.

Mr. Graveley seconded the motion to table action on this item. All voted in favor.

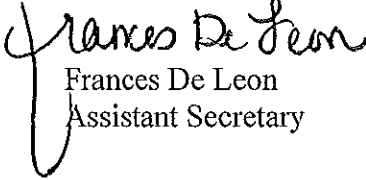
23. Request to close office for staff Christmas luncheon.

Ms. Serrato requested authorization to close the office for the staff Christmas luncheon on either December 15th or 16th. Mr. Graveley made a motion to authorize closing the office during the staff Christmas luncheon. Ms. Lowman seconded. All voted in favor.

24. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 6:55 p.m. Ms. Lowman seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY

Regular Board of Directors Meeting

January 26, 2021

Minutes

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

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Rudy Galvan, Jr.
Patsy Rodgers
Kathleen Lowman

Board Members Absent:

Lupita Perez

See pg 5

Staff Present:

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

Guests Present:

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

1. Call to Order.

Mr. Brandon Barrera, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:36 p.m. A quorum was present.

2. Citizen Comments.

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

3. Proposed Fiscal Year 2020 Audit.

Mr. Luke Womack, John Womack & Co., P.C. reviewed the Fiscal Year 2020 Audit with the Board and reported that all records were in order and the Authority's financial position continued to strengthen. He added that there was nothing negative to report and thanked staff for their work.

4. Resolution 21-01. Resolution accepting the Fiscal Year 2020 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas.

Mr. Galvan made a motion to approve Resolution 21-01. Mr. Graveley seconded the motion. All voted in favor.

5. Approval of Minutes.

Mr. Galvan made a motion to approve the minutes of the December 8, 2020 Regular Meeting and the December 22, 2020 Special Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

6. Treasurer's Report/Payment of Bills.

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

STWA Investment Report for Quarter ended December 31, 2020
Treasurer's Report for period ending November 30, 2020
Revenue Fund Income Statement for period ending November 30, 2020
Tax Fund Income Statement for period ending November 30, 2020
Special Services Income Statement for period ending November 30, 2020
STWA Revenue Fund Balance Sheet – November 30, 2020
STWA Revenue Fund GL Account Summary Report as of November 30, 2020
STWA Debt Service Fund Income Statement for period ending November 30, 2020
STWA Debt Service Fund Balance Sheet – November 30, 2020
STWA Debt Service Fund GL Account Summary Report as of November 30, 2020
STWA Capital Projects Fund Income Statement for period ending November 30, 2020
STWA Capital Projects Fund Balance Sheet – November 30, 2020
STWA Capital Projects Fund GL Account Summary Report as of November 30, 2020
Treasurer's Report for period ending December 31, 2020
Revenue Fund Income Statement for period ending December 31, 2020
Tax Fund Income Statement for period ending December 31, 2020
Special Services Income Statement for period ending December 31, 2020
STWA Revenue Fund Balance Sheet – December 31, 2020
STWA Revenue Fund GL Account Summary Report as of December 31, 2020
STWA Debt Service Fund Income Statement for period ending December 31, 2020
STWA Debt Service Fund Balance Sheet – December 31, 2020
STWA Debt Service Fund GL Account Summary Report as of December 31, 2020
STWA Capital Projects Fund Income Statement for period ending December 31, 2020
STWA Capital Projects Fund Balance Sheet – December 31, 2020
STWA Capital Projects Fund GL Account Summary Report as of December 31, 2020
FY 2020 Cathodic Protection Expenses Breakdown
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
City of Driscoll Payment Plan Summary
Maintenance & Technical Report from O&M Supervisor
Cathodic Protection Update

The following outstanding invoices were presented for Board approval:

- LNV, Inc. \$ 2,175.00
- Kevin Kieschnick, Nueces County Tax A/C \$ 3,254.74

Finance Manager Jo Ella Wagner pointed out that the Texpool December interest rate on the Quarterly Report was incorrect and should be 0.0909 instead of 0.9090. She also noted that the date on the December Treasurer's Report was changed to reflect December 31 instead of December 30. The content of these reports remained the same. Mr. Galvan asked about the progress of the cathodic protection project. Ms. Serrato responded that the crew has completed about two-thirds of Contract 2. She added that she expects the project to continue at least one to

one-and-a-half years because test stations are also being installed and a consultant will need to test the work to make sure everything is working as expected. A motion was made by Mr. Galvan and seconded by Mr. Graveley to approve the Quarterly Report and Treasurer's Reports with Ms. Wagner's changes and to approve payment of the bills as presented. The motion carried.

7. Update on purchase of camera system.

Ms. Serrato reported that all of the needed components for the camera system have been received by the vendor and installation should begin tomorrow, January 27th. No Board action was necessary.

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

Ms. Serrato presented Invoice #4 from Nueces County in the amount of \$112,667.10 and requested approval for payment of the invoice. She reported that the second shutdown had gone smoothly and that she expects the project to be complete very soon. Ms. Graveley made a motion to authorize payment of Invoice #4 in the amount of \$112,667.10. Ms. Rodgers seconded. All voted in favor.

9. Quotes for demolition of Banquete Pump Station elevated storage tank.

Ms. Serrato presented a quote from Camacho Demolition for demolition of the elevated storage tank at the Banquete Pump Station in the amount of \$41,985 for demolition of the tank only and \$43,985 for the tank and concrete base. The other two companies that were contacted have not provided quotes. Ms. Serrato stated that the Board can either choose to table or to approve the one quote. Mr. Bill Flickinger of Willatt & Flickinger has advised that if the project is less than \$75,000, STWA is in compliance with bidding requirements as long as the three bids were solicited. Mr. Galvan made a motion to approve the quote from Camacho Demolition for removal of the tank only but without leaving any bolts protruding from the foundation. Mr. Graveley seconded. All voted in favor.

10. City of Bishop – Easement for Bishop East Pump Station.

Ms. Serrato reported that the STWA and City of Bishop negotiation committees met and reached agreement on the remaining items including an amount of \$28,852 to be used on Section III of the Bishop East Pump Station easement. The City representatives indicated that their legal counsel Gerald Benadum reviewed the document and did not recommend any changes. The City Council will meet on January 27th to consider the easement. Ms. Serrato stated that if the City Council approves the easement, it will be presented to the STWA Board for approval at the next meeting. No action was taken by the Board.

11. Approval of Annexation of Certain Lands to the South Texas Water Authority.
 - a. Carlos Ysassi, III, Tract 25, Cyndie Park Unit 2 in Nueces County, Texas.

Ms. Serrato stated that approval of Resolution 21-02 finalizes the annexation process for this property and she recommended adoption of the resolution.

12. Resolution 21-02. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Carlos Ysassi, III).

Mr. Galvan made a motion to adopt Resolution 21-02. The motion was seconded by Ms. Lowman and passed unanimously.

13. Ray Associates, Inc. proposal for recruitment of Executive Director.

The Board reviewed the proposal from Katherine Ray, Ray Associates, Inc. (RAI). Ms. Serrato stated that the recruitment process would take about three months. The cost is \$30,000 invoiced at \$10,000 per month with estimated additional expenses of \$2,000. RAI is ready to begin working on recruitment in a month. She suggested arranging a special meeting for the Board to discuss their expectations with Ms. Ray. Mr. Barrera asked about other companies that can provide recruitment services and if RAI would consider a reduction in the cost. Ms. Serrato explained that RAI is experienced in recruitment for positions in this industry and she added that she would ask Ms. Ray about assisting with some of the work to possibly reduce the cost. Mr. Graveley made a motion to authorize Ms. Serrato to negotiate an agreement with RAI. Ms. Garza seconded and the motion carried.

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

Ms. Serrato presented proposed changes to the City of Corpus Christi's draft water supply contract. The proposed changes include deleting the take or pay clause and only agreeing to pay the City's monthly minimum, and reducing the amount referred to in Quantity section of the contract. Mr. Galvan made a motion to authorize legal counsel to provide the revised draft to Corpus Christi Assistant City Attorney Lisa Aguilar with the understanding that it is a preliminary draft and has not been formally approved by the Board. Ms. Lowman seconded. All voted in favor.

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

Ms. Serrato said that NCWC&ID #5 has not met to discuss the contracts. She had nothing further to report.

16. Personnel Policies – Selection of Sections for Possible Revisions.

Ms. Serrato provided a copy of the STWA Personnel Policies and asked if the Board is still in favor of making changes to the policies. Mr. Galvan stated that he feels that the policies should be reviewed from time to time. Ms. Garza commented that since a new executive director will be hired in the next few months it would be best to wait because they likely want to review the

policies and make needed changes. Ms. Garza made a motion to table this item until a new executive director is hired. Mr. Galvan seconded. All voted in favor.

17. STWA Long-Term Goals.

Mr. Galvan stated that he feels that setting goals prior to hiring the new executive director could be helpful to them. He added that he is interested in extending STWA's coverage area as far as possible. Since STWA was built as a regional system, he feels it should be able to serve as large a region as possible. He also added that a new building and equipment barn should also be included in future planning. Ms. Serrato noted that long-term plans have been established in the past and pointed out that one of the goals is being accomplished as wholesale customers become independent and enter into agreements with STWA to maintain their pump stations. New software should help with allocating expenses and adjusting the Handling Charge as needed. She also stated that expansion has been discussed previously and the new director will need to know what the Board expects for STWA. Mr. Graveley asked about expanding to the Riviera area. Ms. Serrato responded that the Board has previously discussed extending service to Riviera and that an election to annex the area would be required. Mr. Graveley suggested forming a committee to discuss long-term goals. The Board unanimously consented to having Mr. Graveley, Mr. Galvan, Mr. Barrera, Ms. Serrato and Ms. Wagner serve on the committee. Mr. Galvan also requested an alternate member but there were no other volunteers.

18. Personnel Policies – Pandemic Guidelines.

Ms. Serrato stated that she recommends a change on Page 4 of the Pandemic Guidelines. She to clarify that a negative viral test is needed in order to return to work. Mr. Galvan made a motion to adopt the COVID-19 or Other Pandemic/Infectious Disease Guidelines. Ms. Garza second. All were in favor.

19. Board of Directors Training.

Ms. Serrato requested the Board's feedback on training topics for the Board and whether they preferred to wait for in-person training. Mr. Galvan asked if there was any on-demand training available to they could go through it at their convenience. Ms. Serrato responded that she would resend the links she previously provided by email and STWA can reimburse the cost. She added that the training is broad and not necessarily specific for water supply corporations or reclamation districts. The Board agreed that if they want to take classes, they will and Ms. Serrato agreed to provide the training links.

20. Management hourly pay.

Ms. Serrato stated that in her opinion this issue is a result of the previous changes made to procedures for hiring of management personnel. She added that under the circumstances, she believes the manager who brought this up should receive an adjustment in pay. The Finance Manager has not requested a pay adjustment. Ms. Serrato also pointed out that discussion will be held in open session because the Executive Director no longer holds the authority to set this salary. She added that she prepared a detailed analysis on salaries in case the Board decides to return this authority to her. Mr. Galvan questioned the manner in which the O&M pay rate was

set and stated that the salary that was offered was specifically for applicant Jacob Hinojosa. Ms. Serrato responded that she perceived it as the salary for the position. Mr. Graveley stated that the motion he made was for the offer to Mr. Hinojosa and Mr. Barrera agreed. Mr. Barrera also stated that raises are normally given at budget time. Ms. Serrato added that some raises are granted at other times per board approved policies such as raises for reaching longevity milestones and earning certifications. Mr. Galvan made a motion to freeze raises until the pandemic is over and a new Executive Director is hired. Mr. Graveley seconded. Mr. Galvan rescinded his motion and made a new motion to give no merit raises for the purposes of just giving employees a raise and to only give raises for anniversaries, licenses and probation outside of budget time. The motion was not seconded. Ms. Serrato stated that raises are being handled in that manner already. Business/Risk Manager Frances De Leon stated that she would have approached this matter even if it was Mr. Hinojosa who had been hired. She stated that she understands the Board's stance on not approving raises outside of the budget process, but in her opinion, a raise was given to the position when it was offered to Mr. Hinojosa at such a high pay rate because no previous O&M Supervisor had ever received such a high pay rate. When asked by Mr. Galvan why she had not requested a raise before, Ms. De Leon responded that she had not because she is not that type of person unless she feels she has been wronged. Ms. Lowman made a motion to authorize the proposed pay rate for the Business/Risk Manager and Ms. Rodgers seconded. The motion failed with two votes in favor and four opposed.

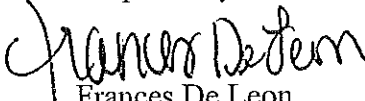
21. Expiration of Families First Coronavirus Response Act and carryover of employee FFCRA leave balances.

Ms. Serrato stated that the FFCRA expired on December 31, 2020 and was not extended by Congress. She requested that the Board consider approve extending the Act's guidelines and keeping the current FFCRA employee balances. Ms. Lowman made a motion that the current FFCRA balances for employees remain and be used per the Act's guidelines. Mr. Galvan seconded. All voted in favor.

22. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 7:51 p.m. Ms. Garza seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

From: mcserrato@stwa.org
Sent: Tuesday, November 17, 2020 2:01 PM
To: 'Rudy Galvan'
Subject: RE: Training - I would like to maybe try to make some sort of training required to be a board member !! believe it would make us better members to be aware of some regulations that govern STWA . Thank you RGJ

Mr. Galvan,

Such a requirement would probably need to be a policy adopted by the STWA Board.

The only required training that all public officials must take is the Public Information Act Training. It covers Open Meetings and Open Records.

If the STWA Board is interested in creating training for board members, it might be helpful to survey the current members and ask what subjects they would like included in the curriculum.

In my opinion the following would be a good preliminary outline:

1. A review of STWA's enabling legislation would be a good place to start.
2. A refresher on the Open Meetings and Open Records would also be helpful.
3. Reviewing the adopted STWA Policies might also be included.
4. If you are thinking about regulations pertaining to water system operations, the TCEQ requirements such as discussed in the email exchanges between me and Mr. Bell would be appropriate.

The four items listed above could each easily be 2-hour training sessions.

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

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

From: Rudy Galvan <rudybodyman@yahoo.com>
Sent: Tuesday, November 17, 2020 1:42 PM
To: Carola Serrato <mcserrato@stwa.org>
Subject: Training - I would like to maybe try to make some sort of training required to be a board member ! I believe it would make us better members to be aware of some regulations that govern STWA . Thank you RGJ



Sent from my iPhone

From: mcserrato@stwa.org
Sent: Tuesday, November 17, 2020 12:34 PM
To: Brandon Barrera (brandon.barrera2015@yahoo.com); 'Filiberto Trevino (ftrevinoiii@gmail.com)'; Jose Graveley (pipe-man@juno.com); 'Kathleen Lowman'; Lupita Perez (lupitap1414@gmail.com); 'Patsy Rodgers'; 'Rudy Galvan'
Subject: FW: South Texas Water Authority - Board Training

STWA Board:

This is the email sent to Mr. Galvan. As you can see, I began communicating with Mr. Bell in September. However, as indicated below, this type of training may be better suited to in person meetings. It could probably be arranged as remote presentations if the Board prefers to meet sooner rather than later.

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, November 16, 2020 10:50 AM
To: Rudy Galvan <rudybodyman@yahoo.com>; Rudy Galvan (galvan.jr.rudy@gmail.com) <galvan.jr.rudy@gmail.com>; Baldemar Garcia <bgarcia@gtek.biz>
Subject: FW: South Texas Water Authority - Board Training

Mr. Galvan and Mr. Garcia,

Please review the email chain below. I will send this information to Mrs. Black via regular US mail since she is no longer using an email address.

As you can see from my initial contact with Larry, I mention Armando's passing and my retirement in terms of staff transitions. Larry is inquiring on more specific topics for training. It was my understanding that the EPA has provided grant funds for board training particularly as it relates to proper water system operations – sampling, monitoring, flushing, etc.

My thoughts were to provide a separate meeting time for this training and not try to combine it with any board meetings. I also thought it would be an opportunity to cover the regulatory requirements and explain how this is accomplished by STWA, particularly in terms of assignments and staffing.

Larry also mentions another type of training associated with disasters and resiliency. This could also be done. But, in my opinion, the aforementioned topic should be considered as more of a priority.

I will call you to discuss Larry's email and to get an idea about timing. It would be great if this training could be done in person so Spring of 2021 may be possible.

Carola

From: Larry Bell <Larry.Bell@trwa.org>
Sent: Monday, November 16, 2020 9:22 AM
To: mcserrato@stwa.org
Subject: RE: South Texas Water Authority - Board Training

Carola,
Yes, I got side tracked by "pop ups" which started after I'd drafted most of the email to you and was not able to get back to it before the afternoon.

If the complete boards do not think they can attend a single meeting, maybe 2 or 3 of them can attend the initial meeting and we can follow up with the other two boards with some of this same or modified training sessions.

Thank you for your assistance and willingness to host this training.

Take care.
Larry Bell
Technical Assistance Director
Texas Rural Water Association
1616 Rio Grande
Austin, TX 78701

Phone 512- 472-8591
Cell 512-964-8133
Fax 512-472-5186
www.trwa.org
Larry.Bell@trwa.org

Please note: My email address was changed a while ago.
This message may contain information that is confidential. The information is intended solely for the use of the addressee(s). If you not an addressee, your disclosure, copying, distribution or use of the contents of this message is prohibited. If this message has been sent to you in error, please notify the sender by return e-mail. Thank you.

From: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Friday, November 13, 2020 5:17 PM
To: Larry Bell <Larry.Bell@trwa.org>
Subject: RE: South Texas Water Authority - Board Training

Larry,

Your morning and my morning are not the same – hope you just forgot to hit send this morning.

Anyway, let me think on your questions and discuss with my three board presidents. I should get back to you by the end of next week.

Have a good weekend. Stay Safe.

Carola

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

From: Larry Bell <Larry.Bell@trwa.org>
Sent: Friday, November 13, 2020 4:48 PM
To: mcgserrato@stwa.org
Subject: RE: South Texas Water Authority - Board Training

Carola,

Good Morning to you and I pray all is well with you and the staff during this continuing pandemic.

I'm sorry for the long delay since we last spoke.

Remind me again, was this Board Training to be at a regular board meeting, during an afternoon, one evening, or morning?

The short Board Training session is 2-hours long which will cover several topics including but not limited to Succession Planning, Operator Certification requirements, On-Boarding new Staff or board members, Reviews of the SDWA regulations as they relate to the board's responsibility to plan the ways to fund and implement improvements to maintain compliance.

The other part of this type training is another 2-hours of instruction on Risk Resiliency Assessments for the smaller rural type systems. This training is designed to educate the boards, managers and operators on what to do in advance of any natural or manmade disaster which may cause water or wastewater services to be interrupted for a short or long term electrical power outage or other event.

Would any of these training topics mentioned above be along the lines of what you'd been thinking about? Or were you just thinking of a 1-hour or so "Q&A" with maybe some structured topics to keep the discussion going?

If possible, please suggest some topics you'd like for me to address and I'll create a presentation/discussion around those issues.

Again, I'm sorry for the delay.

Take care.
Larry Bell
Technical Assistance Director
Texas Rural Water Association
1616 Rio Grande
Austin, TX 78701

Phone 512- 472-8591
Cell 512-964-8133
Fax 512-472-5186
www.trwa.org
Larry.Bell@trwa.org

Please note: My email address was changed a while ago.

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From: Larry Bell
Sent: Friday, September 18, 2020 1:45 PM
To: mcgserrato@stwa.org
Subject: RE: South Texas Water Authority - Board Training

Carola,

It was great to visit with you again.

I'll try to get with our attorney to see if he has a few references he could provide me to include in this "board training".

Inviting these other system's board members would be great if we can work out the social distancing if that is a concern by the time we have this meeting.

I'll get back to you with some available dates.

Meanwhile, if you think of something else we need to cover/address please let me know.

Take care.

Larry Bell
Technical Assistance Director
Texas Rural Water Association
1616 Rio Grande
Austin, TX 78701

Phone 512- 472-8591
Cell 512-964-8133
Fax 512-472-5186
www.trwa.org
Larry.Bell@trwa.org

Please note: My email address was changed a while ago.

This message may contain information that is confidential. The information is intended solely for the use of the addressee(s). If you not an addressee, your disclosure, copying, distribution or use of the contents of this message is prohibited. If this message has been sent to you in error, please notify the sender by return e-mail. Thank you.

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Monday, September 14, 2020 3:21 PM
To: Larry Bell <Larry.Bell@trwa.org>
Subject: South Texas Water Authority - Board Training

Larry,

Thank-you for the suggestions on Board training.

As we discussed, South Texas Water Authority has experienced a terrible loss with the passing of our O&M Supervisor, Armando Yruegas. Armando's replacement should be complete before the end of 2020. In addition, I have announced my retirement, which I am hoping will be by my 65th birthday at the end of August 2021. These changes, given the small size of STWA's staff, could have an impact on STWA's operations and compliance. And, as you know, STWA manages the Nueces and Ricardo Water Supply Corporations, which must also comply with proper monitoring, sampling, record keeping and distribution system operations.

Therefore, STWA would very much appreciate TRWA's assistance in arranging Board training to ensure that the next 6+ months are as trouble-free as possible and any transition of staff positions/responsibilities occur in the most efficient and productive way possible.

Finally, although we didn't discuss the participation of the NWSC and RWSC Boards, there are five and seven directors respectively that may also benefit from training in addition to the current seven members of the STWA Board.

Please let me know how we can help in making arrangements for this training.

Many thanks – take care – stay safe,
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
Sent: Wednesday, November 25, 2020 12:50 PM
To: Brandon Barrera (brandon.barrera2015@yahoo.com); 'Filiberto Trevino (ftrevinoiii@gmail.com)'; Jose Graveley (piper-man@juno.com); 'Kathleen Lowman'; Lupita Perez (lupitap1414@gmail.com); 'Patsy Rodgers'; 'Rudy Galvan'
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'
Subject: Update November 25, 2020

See below*

STWA Board:

As would be expected, staffing at this time of month is a challenge and next month quite a few persons will be taking vacation time. I hope to be at work most of the time. However, I will likely take a few days in December. My husband's vacation started yesterday and he is off until the beginning of next year.

Monday, Nov 30, we will begin development of the agenda and packet for the December 8th Board meeting. At this time, the following items are in the folder used to organize agendas:

- Approval of Minutes – including the corrected minutes from the September meeting as requested by Mr. Galvan during the October meeting
- Treasurer's Report and Payment of Bills
- Banquete Pump Station – See below for more information. Another invoice will be presented for payment.
- Bishop East PS/Easement and Authorization to hire LNV to survey the pipeline and PS areas associated with service to the Bishop East PS – the work will produce a metes and bounds description for the easement we have been negotiating. The last committee meeting was cancelled when Mr. Guajardo and Mayor Miller had to go out of town. I will follow up with Cynthia on another date. I believe we are very close to reaching an agreement.
- Ray Associates, Proposal for Recruitment of Executive Director – As authorized by the Board, I requested a proposal from Ray Associates. You will recall this is the company that performed the search for the San Pat MWD when Jim Naismith retired. Unfortunately, Ms. Ray's brother has been hospitalized with COVID-19 and there was a delay in receiving the proposal. However, a document was received yesterday and I have responded with an email today with a few questions/comments. The proposal includes a cost of \$30,000 to provide the recruitment services.
- Award of Truck Bid – This is a follow-up to the authorization by the Board to solicit bids for a ¾ ton truck.
- Personnel Policies and Long-Term Goals – per the discussion during the last meeting, these items will once again be placed on the agenda
- Pandemic Guidelines/Policy – Per Mr. Galvan's request, a draft policy/guidelines have been drafted for the Board's consideration
- * Discussion/Action on Arrangements for Board Training – as reported in previous emails, there may be training opportunities through the Texas Rural Water Association. Larry Bell will need more defined areas/subjects in order to plan a session(s).
- Banquete Water Supply Contract/O&M Contract – at this time, I am unsure whether any development has occurred by this district. My latest information is that the contract was provided to Mr. Gerald Benadum. I will try to find out if they are scheduling a Board meeting or made any progress on this matter.
- Update on the City of Driscoll Payment Plan – the City agreed to the offered plan and delivered a signed copy
- Update on the purchase of a camera system – I will be notifying ADT that we will be purchasing the camera system with the larger up-front payment. Nearly the entire amount of the purchase (less than \$13,000) should be available from funds budgeted for chlorine fiberglass buildings. Those buildings have been ordered – although there will be a slight change since the doors will have a window instead of being solid. The cost of the buildings were less expensive than originally thought since we were able to get 4'6" x 6' buildings that will fit the existing concrete pads – in place of standard 6'x6' buildings which would have required new concrete pads.
- Update on City of Corpus Christi Wholesale contract – Lisa Aguilar, Assistant City Attorney, provided a draft wholesale contract per the agreement when STWA sold the section of 42" line to the City. A substantial portion is similar, if not identical, to the current contract. I have emailed comments to Bill Flickinger and we have reviewed those. I spoke with him this morning and as of yet he does not have a redline version for the Board to review and offer as a counter to the City. The biggest concern is a large take or pay volume the City is wanting STWA to pay. Our current contract does not have this type of clause. In a similar vein, inquiries have been made regarding the engineering design on the

relocation of the master meter. The City has selected LNV to design the bypass/vault/meter run and valves. However, the contract needs to be approved by the City Council.

November has been a busy month for office and field personnel. Meetings with the NWSC and RWSC Boards were held. Both Boards amended their FY 20 Budgets, adopted FY 2021 Budgets, set new water rates and monthly minimums for FY 21, adopted slightly amended annual meeting procedures, adopted a calendar for holding their annual meeting, authorized staff to mail out notices of the annual meeting, extended their depository agreements with Kleberg Bank and approved engagement letters with Womack and Co. for FY 20 audit services. The 2000+ notices on their retail rate changes went out last week. The NWSC Board authorized the purchase of 114 new meters for three (3) subdivisions which, once installed, will mean 60+% of their meters are on the new Mueller system. The RWSC Board authorized participating in the Joint Bid process with TxDOT on the adjustments that will be needed south of CR 2130. I believe this will be very helpful and also think the adjustments will likely not occur until after I retire. The Joint Bid process means a contractor working for TxDOT will be responsible for all participating utilities' adjustments (water, wastewater, gas line, fiber optic, etc.) and RWSC will its prorated share.

I should note that our new part-time employee, Serena Quinones, was a tremendous help in getting that done. Office staff has been very impressed with her work and she has been able to help Jo Ella with auditor tasks – Womack actively began STWA's audit about 2 weeks ago. It is being conducted remotely and is requiring extra trips; but, I believe both parties feel safer this way.

Office staff has been meeting remotely on a weekly basis with Time Clock Plus for training purposes. Quite a bit of information has been input into our system which requires building profiles for each employee. Monica Ayarzagotia who has been our leave clerk will be updating everyone's leave balance as of December 1st, with the posting of personal time earned. The balances will be input by Jo Ella and we hope to be live by mid- to late December. Our next training session is scheduled for December 4th.

Field personnel were busy reading NWSC/RWSC retail meters the second week of the month and have been fixing leaks for both corporations. There was a leak just upstream of the Ricardo Meter Run here at the Kingsville site that took several days to repair. It was not a large leak in terms of volume. However, there was a large amount of concrete used as thrust blocking to secure the bends – area where the line comes up out of the ground. Removing the concrete to get to the leak took quite some time. During that time, RWSC was serviced through the pass-through arrangement with Kingsville.

The Central PS tank was repainted as authorized by the Board and has been placed back in service.

All of the Bac-T samples have been collected for STWA, NWSC and RWSC for the month of November with all samples coming back clear. Field crews are also caught up on new service connections with the exception of two extensions for NWSC. One is for the Robstown Hardware location – we are awaiting a TxDOT permit in order to perform a bore. The other is for an extension on CR 14 which Dony will be checking on a permit from the Nueces County Public Works Department.

The CP crew continues to make progress. The past week or so they have been excavating areas where the line has ten feet of cover or more. Next week they will be replacing three test stations and hope to reach an area that had additional anodes already added. Yesterday, Patrick and I discussed their schedule extending into next year. Provided there are no setbacks due to weather, staffing or equipment, he believes they could be finished with Contract 2 by March/April. We also discussed testing that he and Oscar could perform in-house. He will be contacting Yuxi with Corrpro about this. We also discussed getting proposals from Corrpro for FY 2022 to conduct testing on Contract 2. You may recall Patrick was STWA's Field Tech 2 operator. He returned to work for STWA when Mando took the position of O&M Supervisor. I should mention that they did experience some problems with the Bobcat excavator recently. It would bog down and shut off. It was taken in and the dealership could not locate a problem or reproduce the problem– nothing showing up on the computer. But, the problem continued. A mechanic with the dealership came to the job site and found the fuel line was clogged. The crew is now periodically checking the fuel filter and the machine is working well.

As mentioned in a previous update, another item that the CP crew has been working on are ladders for the manhole/vaults. A local welder has completed one ladder which was installed and fit very securely. Several more ladders will be constructed.

Dony and I continue to address tasks associated with the new Banquete PS. Last week, Dony met with JS Haren, LNV, and the certified welder that will be tapping upstream of the meter run at the existing station. That tap will be the beginning of the line that feeds the new station on the north side of the existing station. It is currently scheduled for December 2nd. This week, Joe Trejo with LNV notified Maria Bedia, Nueces County Grant Administrator, that Haren will be submitting a change order to request additional time. According to my telephone conversation with Joe, the contractor is having trouble getting delivery of the heavy duty compressors which will be used with the hydro-pneumatic tanks thereby creating the required pressure planes for the existing and new stations – you will recall the EST will be demolished. Originally, the project was scheduled to be complete by the end of 2020. Joe thinks the time request from Haren will be for another 4 – 6 weeks. Maria will be checking with TWDB on any requirements associated with the change order. The Nueces County Commissioners will be the entity that will approve it.

With regards to the Nueces County Commissioners – I had been in contact with the Commissioners Court's Executive Secretary, Tara Corwin, about the board vacancies. The Court opened up the request for applicants for the Driscoll and Bishop positions. I spoke with Tara earlier this week and unfortunately the only applicant was not a resident of either city. We discussed whether it would be possible for the Commissioners Court to leave the application process open until the vacancies are filled. She thought another Court-appointed board had that sort of posting. However, she was going to check with Tyner Little, Nueces County Commissioners Court Manager.

As provided in a separate email, the camera quality of the night vision and long-distance is impressive. The ADT sales person has also presented a few more features that are included in the quoted prices. As mentioned above, the purchase order will be submitted early next week.

In the last update, the Board was informed that there was a problem with the Logic's module for online service applications intended to be used by NWSC and RWSC. We had hoped that the module would include a fillable pdf and digital signature resulting in the Application and Service Agreement placed in each customer's file. Unfortunately, this is not the case. The module produces what Logic's considers an application for service – which is different from the legal contract that is used by NWSC/RWSC. We feel it is more of setting up a new account in the system. So, we have worked on creating a fillable pdf which will be part of each Corporation's website and instructions on filling out the information in the Logic's module.

In the last update, it was reported that arrangement were made to have an ROV inspection done of the Driscoll tank liner. The inspection was done and it appears there is a small leak in the area that was a concern prior to the liner being installed. Dony has contacted NG Painting and sent Mr. Nick Gramatikakis photos of the area.

Dony has been working on ordering the flood lights authorized by the Board as part of the FY 21 Budget. We believe that a gently used set has been found for less than the budgeted amount. However, we want to purchase the extended warranty and the information provided on the warranty was not clear. We are waiting on more information; but, the lights should be purchased very soon. The difference in cost may be a source to pay on the recurring fees associated with a new camera system.

The CP crew completed the GPS survey of the 42" line and its appurtenances. Logan Burton, LNV has reviewed the information and stated it would work to produce an overlay as requested. He should be providing a not to exceed Technical Memo proposal for the Board's consideration.

I participated in a remote meeting of the Colonia Committee last Thursday. There was a hopeful presentation on a program that will provide important health services to colonia residents in Nueces County. Whether the funds will be secured or not should be known by next year.

Finally, the Coastal Bend Regional Water Planning Group received notice from the TWDB that our plan has been reviewed and found administratively complete.

Best Wishes for a safe and Happy Thanksgiving.

Take Care,
Carola

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 30, 2020
Re: Board Training – Texas Rural Water Association

Background:

Enclosed are the latest emails regarding possible board training. Included in the information is correspondence with Larry Bell, Texas Rural Water Association (TRWA). As outlined in my recent email to the Board, staff foresees several categories that could be helpful. However, in order to ensure that the Board is receiving information on topics of interest, this item has been placed on the agenda.

Analysis:

Staff has suggested training in four (4) categories. The TRWA would likely be able to assist in certain sections of each category.

1. STWA Enabling Legislation – the authorities, powers, and purpose of STWA. Since STWA is a water conservation and reclamation district, the TRWA would be familiar with that type of district from a general perspective.
2. Open Meeting/Open Records – a refresher course in the proper conduct of the Board and staff as it pertains to the public and transparency. The TRWA deals with this type of subject on a regular basis and should be able to provide quite a bit of information.
3. STWA Policies – this category would likely be the subject that TRWA has the least information. However, they would probably be able to provide information on how other districts typically conduct business as well as policies related to employee benefits, etc. They would very likely be able to provide information on the working relationship between a board and staff.
4. Regulations – This subject would definitely be a topic that TRWA can provide information. They would need assistance from STWA staff to fill in the specifics; but they could give an overview of TCEQ and EPA requirements.

Staff Recommendation:

Provide feedback to staff on subjects of interest.

Board Action:

Determine whether to pursue training through TRWA, in-house only or with another source of assistance.

Summarization:

As you can see from the emails, staff is of the opinion that this type of training would be best in an in-person setting. In addition, staff has offered these options to the RWSC and NWSC Board Presidents for their consideration. Staff has reported to the Board that TRWA offers board training classes. Regardless, Board members would need to invest time towards this training – I have noted that each one of the above sessions could easily take two (2) hours.

From: mcserrato@stwa.org
Sent: Tuesday, December 15, 2020 2:40 PM
To: Brandon Barrera (brandon.barrera2015@yahoo.com); Imelda Garza; Jose Graveley (pipe-man@juno.com); 'Kathleen Lowman'; Lupita Perez (lupitap1414@gmail.com); 'Patsy Rodgers'; 'Rudy Galvan'; Rudy Galvan (galvan.jr.rudy@gmail.com)
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'; ngomez@stwa.org
Subject: Update December 15, 2020

See pg 2 *

STWA Board:

As reported in the last Update, staffing during the holidays is usually a challenge. Employee vacations begin in the latter part of this week and continue through the beginning of next month. We will have our employee lunch tomorrow. I have decided to take the week of December 28th as vacation to enjoy some time with my husband who has been on vacation since before Thanksgiving.

With the exception of Mr. Galvan, everyone was present during the December 8th Board meeting. The following is a brief summary of the meeting and is not intended as a substitution for minutes:

1. The meeting was called to order by Vice-President Brandon Barrera.
2. There were no public comments.
3. Although administered in person, Ms. Imelda Garza took her oath of office as the newest Board Member appointed by the Kleberg Commissioners Court.
4. Mr. Gravely was elected Secretary/Treasurer by acclamation.
5. Approval of Minutes – the minutes were approved including the corrected minutes from the September meeting which indicated that Mr. Galvan joined the meeting after it was called to order.
6. Treasurer's Report and Payment of Bills – Jo Ella was unavailable for the presentation which was done by me. There was a question regarding the TML Insurance bill which showed a past due amount. Frances explained that our office had not received the bill and TML had been contacted. TML employees are still working remotely and the matter should be corrected by their office.
7. Update on the purchase of a camera system – this was a report only; no action was taken.
8. Banquete Pump Station – Two invoices were approved for payment. A second invoice arrived the day of the meeting. Between the 3 paid invoices, more than half of the committed funds have been paid. **More recently and not as part of the meeting discussion**, JS Haren wanted to provide only a 1 week notice about a tie-in that would require a 6-hour shut-down of water. The shut-down would have started at midnight tomorrow night. I spoke with Mr. Trejo, LNV, to express my displeasure on the short time frame which would not allow sufficient time to notify NWSC customers (and Banquete notifying their customers) and the fact that employees would be starting vacations. I indicated the tie-in should wait until after the New Year. Long story – short – I spoke to Commissioner Gonzalez about Haren's 60-day extension since Haren wanted a 75-day extension because of the delay. This has been granted and the tie-in is scheduled for midnight on Jan 6th (Wednesday).
9. Bishop East PS/Easement and Authorization - LNV proposal – the Board authorized the use of LNV services. The agreements for STWA and NWSC have been signed. The waterline has been marked and today, at LNV's request, information was sent from the original Contract 5 engineer drawings. Emails have been sent to City Secretary Cynthia Contreras regarding a committee meeting to try to finalize the document. There has not been another date proposed by the City since the last one was cancelled due to a conflict with their Council meeting date.
10. Cyndie Park resident annexation petition – see item 11.
11. The Board approved the resolution setting the day and time for a public hearing associated with a Cyndie Park resident's annexation petition – which will be immediately prior to the next regular meeting at 5:30pm on January 26th.
12. Truck Bids – see Item 13.
13. Award of Truck Bid – The Board approved the purchase of the truck from Caldwell Chevrolet. A purchase order has been provided to Caldwell. The vehicle should be available around March.
14. Ray Associates, Proposal for Recruitment of Executive Director – Ms. Ray has been contacted to notify her that the Board tabled action on this matter. She indicated that she understood and would await an update. On a personal

note, Ms. Ray's brother passed away from COVID-19 and I feel certain she will be dealing with family matters at this time.

15. Update on the City of Driscoll Payment Plan – this was a report only; no action was taken
16. Update on City of Corpus Christi Wholesale contract – this was a report only; no action was taken. However, I spoke with Mr. Flickinger the following day to convey Mr. Graveley's concern about responding to the City's inclusion of the "take or pay" provision in the contract.
17. Banquete Water Supply Contract/O&M Contract – The Board did not take any action on this matter. I spoke to Anavi King, Office Manager, the following day. She confirmed that a meeting had been called; however, it was not going to be held due to a lack of a quorum. She anticipated that the meeting would be rescheduled for tomorrow, Dec 16th. She also confirmed that the contract was not on their agenda since she had not received any information from Gerald Benadum, their attorney. She assured me that if the item was added for tomorrow's meeting that she would notify me – I will check anyway.
18. Personnel Policies – This item was tabled to allow for Mr. Galvan's participation in the subject.
19. Long-Term Goals – This item was tabled to allow for Mr. Galvan's participation in the subject.
20. Pandemic Guidelines/Policy – This item was tabled to allow for Mr. Galvan's participation in the subject.
- * 21. Discussion/Action on Arrangements for Board Training – This item was tabled to allow for Mr. Galvan's participation in the subject. *
22. Management Hourly Pay – This item was tabled to allow for Mr. Galvan's participation in the subject.
23. Christmas Lunch – The Board approved closing the office for employees to have a pot luck Christmas Lunch.

Dony has been calling Nick Gramatakakis with NG Painting to repair a very small leak on the Driscoll GST. The Board will recall that an internal liner was installed last November with a one-year warranty. Mr. Gramatakakis said they would return to correct the problem and Dony has called to coordinate the lowering of the tank level so the repair can be made.

Last week, I contacted the Texas Department of State Health Services (DSHS) in the Valley to inquire about whether front-line workers needed to register or be placed on a list for COVID-19 vaccinations. I was told that I could call the local Kingsville office health department (a number was provided) and advised that it would be several weeks before the vaccine would be available for front-line workers – I am thinking possibly the Moderna vaccine will be the one available since so much will depend on what is being allotted to the various Texas Regions. We will continue to follow-up on this matter.

It also warrants mention that the Texas Rural Water Association (TRWA) has posted its legal interpretation to the question, "Can employers require employees to get the vaccine?" The short answer is "yes." However, the recommendation goes on to state: *However, if an employee has a medical condition or sincerely-held religious belief that prevents them from taking it, employers must provide a reasonable accommodation for their situation, if doing so doesn't pose an undue burden on the employer.*

The flood lights which were part of the FY 21 budget have been purchased for \$6735 which includes a two-year extended warranty on the entire machine. The budget included \$8000 for the purchase. Field personnel will likely pick up the machine tomorrow.

The final sketch for the replacement chlorine buildings was provided yesterday and signed off. As reported earlier, there should be a substantial savings that will pay most if not all of the up front cost of the security cameras.

With regards to the camera system, ADT has acknowledged the purchase and should be scheduling the installation in the near future.

Last week and this week office and field staff have been busy with NWSC and RWSC retail meter reading, past due notices, retail bills, and payment plan letters. Today, under the more flexible payment procedures, there were 4 lock-outs – two for each.

We had our last Time Clock Plus training session for the year on December 4th. Our facilitator will be on vacation and therefore we will go live early next year. Prior to that, Dony and Nigel will also receive training on the approval of leave requests from field personnel.

Last week, Bac-T samples were collected for STWA, NWSC and RWSC with all samples coming back clear. All three entities should have samples collected either today or tomorrow. Then next week samples will be collected for NWSC and RWSC only.

The CP crew has kept busy with additional anode installation, although it has been somewhat slower due to the depth of the line. In addition, they have assisted using their line locator device in marking the waterline which goes through the Bishop Park for the LNV easement survey. They continue to stay in touch with the welder that is manufacturing the ladders for the vaults along the 42" line. They are working with Jo Ella to get the crop damage details in order to reimburse landowners/tenant farmers – there are three (3) that have contacted Jo Ella. There is one tenant farmer that has requested some dress-up in an area that was excavated due to anodes and a leak on the NWSC system. They have met with him and this should be completed sometime this week.

A proposal was received from Logan Burton, LNV, for the GPS overlays associated with the work done by the CP crew – anodes, test stations, etc. The cost of the overlays is \$5500 and will be paid from bond funds. These overlays will be a tremendous help for future testing by outside consultants as well as determining the status of anode installation and bonds for continuity on the line.

Upcoming Dates:

Tomorrow, Dec 16 – Office Pot Luck Lunch

December 24 (Thursday) and 25 (Friday) – Observed Holidays

December 28 – Dec 31 – I will be on vacation. Jo Ella is off on the 28th only. Frances, Dony, and Nigel will be working those days.

January 1 (Friday) – Observed Holiday

January 4 (Monday) – I will be back at work and almost all staff members will also be back at work.

January 6 (Wednesday) – at midnight the tie-in at the Banquete PS will begin.

January 14th – I hope to participate in a remote meeting with TCAP, our energy aggregation entity, on a legislative update.

January 18th – This is a floating holiday for staff. There are four floating holidays in the year – Martin Luther King Day, President's Day, Columbus Day and Veteran's Day. Only a few employees will be off in order to keep the office open and field operations active.

January 18 week – The agenda packet will be developed during this week. The agenda will be posted by Friday, Jan 22 and sent out by email.

January 26 (Tuesday) – Next Regular Meeting with an Annexation Public Hearing immediately prior.

Please contact me directly if you have any questions/comments.

Take Care,

Carola

From: mcserrato@stwa.org
Sent: Friday, January 15, 2021 11:29 AM
To: Brandon Barrera (brandon.barrera2015@yahoo.com); Imelda Garza; Jose Graveley (pipe-man@juno.com); 'Kathleen Lowman'; Lupita Perez; Lupita Perez (lupitap1414@gmail.com); 'Patsy Rodgers'; 'Rudy Galvan'; Rudy Galvan (galvanjr.rudy@gmail.com)
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'; ngomez@stwa.org
Subject: Update January 13, 2021

See pg 3 *

STWA Board:

In the last update I indicated that staffing continued to be a problem. It is not back to normal as of yet with a field tech still out with COVID-19. He is feeling better and was tested on Wednesday but the results are not yet available. Although, I told him he will likely test positive regardless of whether he is feeling any symptoms or not. Another field employee may have been exposed through his wife whose sister may have been exposed. He has tested negative; but, his wife is waiting on her results.

As reported via text, our office will likely be closed this afternoon although there should be 2 field techs still on duty. The office person working from home has decided to be vaccinated. One field employee was recently tested could not be vaccinated. One field employee that is at home with COVID could not be vaccinated. And, one field employee is checking with his physician on whether or not he should be vaccinated.

The Nueces County Commissioners Court did hold a meeting and considered appointing Mr. Rolando Gonzalez as the Driscoll Board member. However, the appointment was tabled at the request of Commissioner Marez. His motion included authorization to open the nominations for the Bishop vacancy. His discussion included a statement that he felt certain additional eligible nominations would be available by the Commissioners Court's next meeting on January 20th.

The Banquete Pump Station was taken out of service as planned – well, nearly as planned. The workers jumped the gun slightly and started to pinch the valves about an hour early. I received an email from Anavi King with the Banquete Water District and the valves were placed back in the completely opened position immediately. The work took nearly the entire 6 hours; but, it was done as planned. The notices for a second tie-in and shut-down scheduled for Friday, Jan 22nd have gone out. The contractor requested that the valves be closed at 11 pm instead of midnight and the notices went out with that hour listed. In the meantime, the contractor has been laying some additional waterline at the grounds of the old pump station to prepare for the second tie-in (the Banquete Water District's valve and line had to be excavated to confirm the location). In the process of that work, the electric line to the MOV was cut. But, the problem was caught early and only a few calls were received about low pressure. The electrician hired by the contractor fixed the problem.

A meeting of the Bishop and STWA committees to hopefully finalize the proposed easement at the Bishop East PS and waterline is scheduled via Zoom for Tuesday, Jan 19 at 5:30 pm. The metes/bounds and survey documents have been reviewed by Bill Flickinger and have now been provided to the City representatives. This includes the information for the area that will be part of a NWSC easement.

Letters to STWA's wholesale customers were sent out notifying them of the City of Corpus Christi declaring Stage 1 of their drought plan.

Bill Flickinger has worked on the City of CC wholesale water supply contract and I have provided my comments on his changes. There are a few more items that need to be revisited, particularly those associated with the City's ETJ (extraterritorial jurisdiction), notices and acknowledgements. He has revised the language about minimum required payment to include only the \$700+/month minimum established under the City's ordinance applicable to Public Entity for Resale category.

Dony continues to call Nick Gramatakakis with NG Painting to repair a very small leak on the Driscoll GST. Field personnel continue to work on the Free Available Ammonia (FAA) arriving at Kingsville and Ricardo MR's. Dony has ordered some

replacement parts for the LAS scale located at the Driscoll Booster Station. And, Dony also continues to work with Dave Counts, Automated Concepts, to correct a problem with the pumps failing to alternate at the Driscoll PS.

ADT was originally scheduled for two days this week to install the camera system. However, they still needed some parts; so, they are now scheduled for Wednesday, Jan 20th.

Jo Ella has contacted Time Clock Plus and Black Mountain to get an update on when the last of the training will occur with TCP and when BM will begin installing the new software.

A draft of the overlays for the 42" line project from LNV have been reviewed by the CP crew. They added information from Hummingbird Lane to CR 52 which had not been included. LNV should be providing the final product in the very near future. The LNV cost will be paid out of Bond Funds since the overlays have the location of the test stations, rectifiers and work performed by the CP crew. Due to the recent rains, the CP crew has been helping out field personnel by performing line locates for STWA, RWSC and NWSC. In addition, they have checked on the construction of the ladders for the 42" waterline vaults. Unfortunately, the manufacture of the ladders has been affected by employees of the vendor being ill with COVID-19.

On Wednesday, the RWSC Board met via Zoom and using their new tablets – no paper agendas had to be mailed. They approved a developer's contract for a new subdivision on CR 2140, received a report on a theft of service, discussed a problem with a private waterline, and reviewed information on flush valves and water loss. There was a discussion about water hauling services provided to the County at no charge. Board President Balde Garcia had been in contact with Precinct 3 about the use of the water for road construction. According to his conversation with the office, they expected to be charged for the water. After a discussion regarding additional communication and record keeping, I offered to call and speak to the new Commissioner, Jerry Martinez, about the situation and let him know the RWSC Board wants to begin sending a bill for their usage. I have tried calling their office twice and had to leave voice mail messages.

Yesterday, I participated in a remote meeting with TCAP, our energy aggregation entity, on possible upcoming legislative issues. There was not too much information shared about upcoming legislation. TCAP's consultants were introduced and gave their opinions on what to possibly expect as well as how COVID-19 might impact this year's legislation. They do feel that local governments may be impacted again on tax rates and transparency. We should expect periodic reports from the consultants with, at a minimum, notice on introduced legislation that can affect electricity rates. And, the legislature should not have as bleak a time setting the State's budget as originally anticipated due to the pandemic. Some of the good news is as a result of the federal government payments under CARES and the price of oil/gas has rebounded recently.

Office staff have been busy the last two months sending out notices for the Nueces and Ricardo WSC's. In addition to the 2000+ Stage 1 Drought notices, the notices for their annual meetings in April were sent out. Approximately 300 notices were sent for the Banquete PS shut downs. And, both WSC's adjusted their water rates which became effective on January 1st.

Next week, the agenda packet will be developed. The agenda should be posted by Friday, Jan 22 and sent out by email. In addition to the typical minutes, treasurer's report, quarterly report and payment of bills, the following are draft agenda items thus far:

- Review of the Fiscal Year 2020 Audit (someone from Womack & Co. will present the audit) and a corresponding Resolution 21-01 for the anticipated approval,
- Update on the camera system,
- The Banquete Pump Station Project – another invoice from Nueces County may be available for approval,
- The Bishop PS and waterline easement,
- Approval of Resolution 21-02 for the annexation of property in Cyndie Park – there will be a brief public hearing immediately prior to the Board meeting,
- The Ray and Associates proposal for executive director recruitment services – this was tabled during the last meeting,
- The wholesale water supply contract with the City of Corpus Christi,
- The wholesale water supply contract between STWA and Banquete Water District (NCWCID#5),
- Personnel Policies – this was tabled during the last meeting,
- STWA Long Term Goals – this was tabled during the last meeting,

- Pandemic Policy – this was tabled during the last meeting – this will likely need additional consideration since persons that are no longer ill continue to test positive for weeks and longer,
- *• Board of Directors Training – this item was tabled during the last meeting,*
- Management hourly pay – this item was tabled during the last meeting, and
- Expiration of FFCRA – carryover of employee FFCRA leave balances.

Upcoming Dates:

- Martin Luther King Day, Monday, January 18th – This is a floating holiday for staff. At this time, there are two office and two field persons that will be off.
- January 26 (Tuesday) – Next Regular Meeting with an Annexation Public Hearing immediately prior.
- President’s Day, February 15, 2021 -This is a floating holiday for staff. At this time, there are two office persons, two field persons and one CP person off that day.
- The week of February 15th is when the agenda packet will be developed. The meeting notice and agenda should be posted by Friday, February 19th.
- February 23rd – STWA Board meeting.

Please contact me directly if you have any questions/comments.

Take Care,
Carola

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 18, 2021
Re: Board Training – Texas Rural Water Association

Below is the memo included in the December Board Meeting Agenda Packet. This item was tabled during that meeting. Staff continues to suggest the same four subjects. Staff also continues to believe that in-person training would be the most conducive for retention and meaningful exchanges.

Background:

Enclosed are the latest emails regarding possible board training. Included in the information is correspondence with Larry Bell, Texas Rural Water Association (TRWA). As outlined in my recent email to the Board, staff foresees several categories that could be helpful. However, in order to ensure that the Board is receiving information on topics of interest, this item has been placed on the agenda.

Analysis:

Staff has suggested training in four (4) categories. The TRWA would likely be able to assist in certain sections of each category.

1. STWA Enabling Legislation – the authorities, powers, and purpose of STWA. Since STWA is a water conservation and reclamation district, the TRWA would be familiar with that type of district from a general perspective.
2. Open Meeting/Open Records – a refresher course in the proper conduct of the Board and staff as it pertains to the public and transparency. The TRWA deals with this type of subject on a regular basis and should be able to provide quite a bit of information.
3. STWA Policies – this category would likely be the subject that TRWA has the least information. However, they would probably be able to provide information on how other districts typically conduct business as well as policies related to employee benefits, etc. They would very likely be able to provide information on the working relationship between a board and staff.
4. Regulations – This subject would definitely be a topic that TRWA can provide information. They would need assistance from STWA staff to fill in the specifics; but they could give an overview of TCEQ and EPA requirements.

Staff Recommendation:

Provide feedback to staff on subjects of interest.

Board Action:

Determine whether to pursue training through TRWA, in-house only or with another source of assistance.

Summarization:

As you can see from the emails, staff is of the opinion that this type of training would be best in an in-person setting. In addition, staff has offered these options to the RWSC and NWSC Board Presidents for their consideration. Staff has reported to the Board that TRWA offers board training classes. Regardless, Board members would need to invest time towards this training – I have noted that each one of the above sessions could easily take two (2) hours.

From: mcserrato@stwa.org
Sent: Wednesday, January 27, 2021 9:51 AM
To: Brandon Barrera (brandon.barrera2015@yahoo.com); Imelda Garza; Jose Graveley (Josegraveley@yahoo.com); Jose Graveley (pipe-man@juno.com); 'Kathleen Lowman'; Lupita Perez; Lupita Perez (lupitap1414@gmail.com); 'Patsy Rodgers'; 'Rudy Galvan'; Rudy Galvan (galvan.jr.rudy@gmail.com)
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'; ngomez@stwa.org
Subject: FW: Weekly Pipeline: TRWA eNews

STWA Board:

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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: Friday, August 21, 2020 4:37 PM
To: Rudy Galvan (galvan.jr.rudy@gmail.com) <galvan.jr.rudy@gmail.com>; Rudy Galvan <rudybodyman@yahoo.com>; Filiberto Trevino (ftrevinoiii@gmail.com) <ftrevinoiii@gmail.com>; Brandon Barrera (brandon.barrera2015@yahoo.com) <brandon.barrera2015@yahoo.com>
Cc: Frances Rosales <fvrosales@stwa.org>
Subject: FW: Weekly Pipeline: TRWA eNews

STWA Officers:

Below is a weekly newsletter from the Texas Rural Water Association. Under Quick Links, there is an item for "Board Conference Sessions" that you may want to check out based on the latter part of today's conference call.

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

From: TRWA Communications <editor@trwa.org>
Sent: Friday, August 21, 2020 3:32 PM
To: mcserrato@stwa.org
Subject: Weekly Pipeline: TRWA eNews

[Click here to view this email in your browser](#)



TRWA Weekly Pipeline

The TRWA Weekly Pipeline will be in your inbox **every Friday** with links to important Texas water updates and news. Do you have information worth sharing? Email potential content to editor@trwa.org! Read more below!

Portal Closes Friday, August 28th at 11:59 PM

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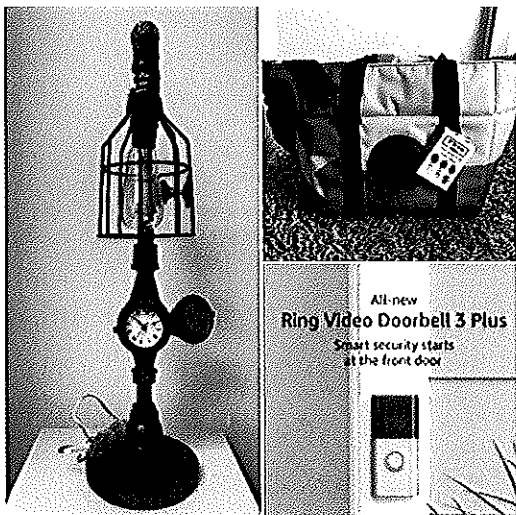
Quick Links:

[Credit Hour Tracking & Login/Access Information](#)

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Learn more here: **<https://www.tceq.texas.gov/licensing/covid-19>**

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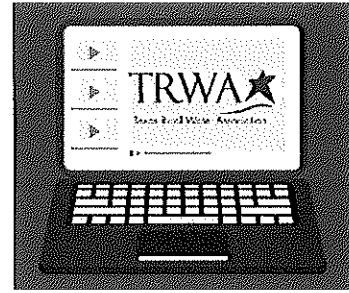
Water Distribution: August 24-26

Wastewater Collections: August 26-28

Groundwater Production: September 1-3

Customer Service Inspections: October 13-14

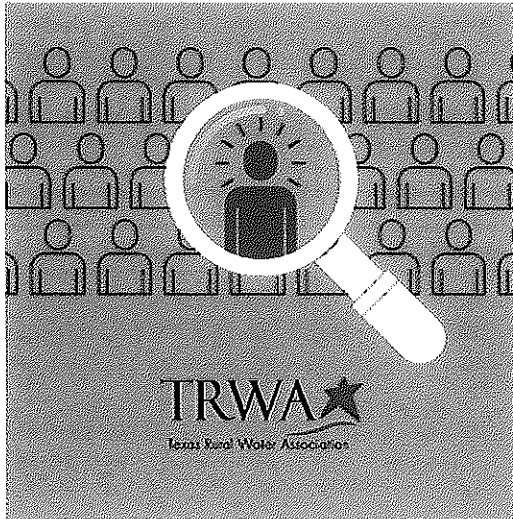
Public Funds Investment Act Training: October 14



[View All Virtual Training Opportunities](#)

Connect with other water professionals in your area, get important industry updates and earn free operator credit hours!

[Click here to view upcoming virtual TRWA District meetings!](#)



TRWA is looking for a bilingual Financial, Managerial, Technical (FMT) Assistance Specialist! **[Click here to learn more about this position.](#)**

[Click here to view all recent openings on TRWA's job board!](#)

Fifth Circuit Follows TRWA's Amicus Brief in Green Valley SUD's Major CCN Decertification Case: On August 7, the New Orleans-based Fifth Circuit Court of Appeals overturned long-standing precedent established in North Alamo WSC v. City of San Juan, a 1996 decision by the same court holding that a federally-indebted utility's duty to provide service under its CCN is the equivalent to "making service available" under federal law. **[Read the full release on TRWA's blog here.](#)**



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TRWA · 1616 Rio Grande St # ST78701 · Austin, TX 78701-1122 · USA

From: mcserrato@stwa.org
Sent: Friday, January 29, 2021 4:53 PM
To: Brandon Barrera (brandon.barrera2015@yahoo.com); Imelda Garza; Jose Graveley (Josegraveley@yahoo.com); Jose Graveley (pipe-man@juno.com); 'Kathleen Lowman'; Lupita Perez; Lupita Perez (lupitap1414@gmail.com); 'Patsy Rodgers'; 'Rudy Galvan'; Rudy Galvan (galvan.jr.rudy@gmail.com)
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jo Ella Wagner'; ngomez@stwa.org
Subject: Update January 29, 2021
Attachments: Ray Associates Inc Proposal STWA Items.doc

See pg 2 *

STWA Board:

Staffing has improved somewhat but is not quite back to normal. The field tech with COVID-19 has tested negative and his wife as well. However, his children are still testing positive. They will be tested again next Friday. As such, we are still having him perform tasks that are not at pump stations and not as part of a crew. Yesterday, our part-time clerk indicated she had been around someone that was possibly exposed to an individual that tested positive. The disinfection company was called and sprayed the office. This afternoon, the PT clerk texted that the person she was around has tested negative. So, she will return to work on Monday.

As mentioned during the recent meeting, the Nueces County Commissioners Court held another meeting and considered appointing Sara Zavala, a former City of Driscoll council person. However, the appointment was tabled.

The second shut-down at the Banquete Pump Station occurred without any problems. Following Tuesday's Board meeting, I contacted Joe Trejo, LNV, to get a date for the new station to be online in order to provide the information to Camacho Demolition. He indicated by the middle of March. I signed the Camacho proposal and they have responded that the demolition is "penciled in" for the end of March. BTW, one of the other two requested proposals came through the next day. It was more than 2x the Camacho quote at about \$98k.

The Bishop City Council Meeting went very well. The Council approved the Bishop East PS easement unanimously. I indicated that upon the return of the signed easement, the STWA Board would consider and once approved the document would be recorded and a check in the amount of \$28,852 would be issued to the City. The City also had an item on their agenda related to the Stage 1 restrictions. I briefly addressed the Council on the notice sent by the City of Corpus Christi and was asked to summarize the restrictions in Stage 1.

Bill Flickinger was notified on Wednesday regarding the Board's decision to send a response to the City of CC and a revised wholesale water supply contract with the understanding that the STWA has not formally approved any version. I have not received a copy of his correspondence to Ms. Aguilar. I will follow-up with this again next week.

Ms. Ray was contacted regarding the Board's decision to have me negotiate her company's services and as noted in a separate email there was a \$4500 reduction in the cost. Attached is the section describing the agreed upon changes. This afternoon, I provided her with draft copies of the ED Job Description and STWA Background.

In the last update, I noted that field personnel continue to work on the Free Available Ammonia (FAA) arriving at Kingsville and Ricardo meter runs. The replacement parts for the LAS scale located at the Driscoll Booster Station arrived and were installed. Today's FAA readings are an improvement.

The last few days, the field crew has been working on leaks in the NWSC distribution system. They were finishing on the last one south of Banquete in the Ja-Lin subdivision when calls started coming in from Driscoll East rural customers. The 6" line installed by the contractor (Bridges Specialties) as part of the Driscoll Bypass improvements was leaking. We suspect Zachary, the road contractor hit the line – they called to report it. Although the young man with Zachary said it had been leaking a while. Dony disputes this and the elevations are going to become an issue. Bridges has arrived at the leak and will be repairing it. Eric Villarreal with LNV and I have discussed the line elevations – which should have been installed at the correct depth and were supposed to be approved by TxDOT. This will likely be a dispute involving NWSC, Bridges, TxDOT and Zachary.

I received another email from ADT on Wednesday. The person in charge of ordering the equipment apologized repeatedly about an error in the number of cameras ordered. She has placed an urgent request to fill the order. However, it is not certain whether the installation will now occur next week.

Jo Ella has been in contact with both Time Clock Plus and Black Mountain. Accounting data extracted from the Sage program has been retrieved by Black Mountain and we are scheduled together with Dony and Nigel for a training session with TCP for Tuesday, Feb 2.

The hard copy overlays for the 42" line project from LNV were delivered earlier this week.

The three (3) chlorine building were delivered; unfortunately, despite sending detailed information on the three locations, they were delivered to the STWA Kingsville site. The trucking company did not have the equipment to off load the buildings. The vendor has promised to make good on the problem and get them delivered to Agua Dulce, Driscoll and Bishop.

A brief summary of Tuesday meeting is as follows:

- The Board approved the minutes, treasurer's report, quarterly report and payment of bills. There were a few typos that were noted and an additional invoice from Kieschnick was included in the approval.
- The Board approved the Fiscal Year 2020 Audit with the adoption of Resolution 21-01.
- An update on the camera system was given – unfortunately it changed the next day as mentioned above.
- The Board approved the Nueces County invoice on the Banquete Pump Station Project.
- An update on the Bishop East PS and waterline easement was given. As mentioned above, the Council approved the easement the next day.
- The Board approved Resolution 21-02 for the annexation of property in Cyndie Park.
- As reported above, the Board authorized me to negotiate a proposal with Ray and Associates for executive director recruitment services.
- As also mentioned above, the Board authorized Bill Flickinger to send Lisa Aguilar the marked-up version of the wholesale water supply contract with the City of Corpus Christi noting that there may be additional minor changes and stating that the STWA Board had not approved any contract.
- Unfortunately, there was not any additional information to report on the wholesale water supply contract between STWA and Banquete Water District (NCWCID#5).
- There was a discussion about the new ED possibly being involved in any changes to the Personnel Policies. A motion passed to table the item until the new ED can review.
- A committee was formed by consensus of the Board to consider Long Term Goals. The committee members are Mr. Barrera, Mr. Graveley, Mr. Galvan, Ms. Wagner and me. Yesterday, I sent a 17 question survey to the committee. In addition, I emailed Noel Valdez, bond counsel, and Anne Burger Entrekin, financial advisor, on the existing debt, redemption of bonds, election requirements and other funding options for any major future projects. Noel and Anne acknowledged the email and said they would work together to provide responses to my questions.
- The Board approved the Pandemic Policy.
- The Board did not take any formal action on Board Training; however, I indicated that I would provide a link to TRWA training information that had been provided previously to the officers.
- There were several motions regarding the Management Hourly Pay. One motion was rescinded and two failed for lack of 5 affirmative votes.
- The Board authorized the carryover of employee FFCRA leave balances.
- The Board selected Camacho Demolition for the demo of the Banquete EST. Staff shared copies of the company's two insurance certificates.

There is an item worth noting related to the RWSC Board. Precinct 3 has been contacted about receiving a bill for water purchased from the RWSC water hauling station located on CR 2160. This was a Board decision and staff was following their instructions.

Upcoming Dates:

- President's Day, February 15, 2021 -This is a floating holiday for staff. At this time, there are two office persons, two field persons and one CP person off that day.
- The week of February 15th is when the agenda packet will be developed. The meeting notice and agenda should be posted by Friday, February 19th.
- February 23rd – STWA Board meeting.

Please contact me directly if you have any questions/comments.

Take Care,
Carola

From: mcgserrato@stwa.org
Sent: Monday, June 7, 2021 4:07 PM
To: Brandon Barrera (bbarrera@stwa.org)
Cc: Frances Rosales
Subject: FW: Weekly Pipeline: TRWA eNews

Mr. Barrera:

This is the email I was referring to during our telephone conversation. TRWA updates its class schedule regularly. I believe the link should still work.

The item will be placed on the agenda for the regular meeting for June 22.

Carola

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

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Wednesday, January 27, 2021 9:51 AM
To: Brandon Barrera (brandon.barrera2015@yahoo.com) <brandon.barrera2015@yahoo.com>; Imelda Garza <igarza@texasfcu.org>; Jose Graveley (Josegraveley@yahoo.com) <Josegraveley@yahoo.com>; Jose Graveley (pipe-man@juno.com) <pipe-man@juno.com>; 'Kathleen Lowman' <klowman126@aol.com>; Lupita Perez <lpap1940@yahoo.com>; Lupita Perez (lupitap1414@gmail.com) <lupitap1414@gmail.com>; 'Patsy Rodgers' <rnorpat2@gmail.com>; 'Rudy Galvan' <rudybodyman@yahoo.com>; Rudy Galvan (galvan.jr.rudy@gmail.com) <galvan.jr.rudy@gmail.com>
Cc: 'Dony Cantu (dcantu@stwa.org)' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; ngomez@stwa.org
Subject: FW: Weekly Pipeline: TRWA eNews

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

From: mcserrato@stwa.org <mcserrato@stwa.org>

Sent: Friday, August 21, 2020 4:37 PM

To: Rudy Galvan (galvan.jr.rudy@gmail.com) <galvan.jr.rudy@gmail.com>; Rudy Galvan <rudybodyman@yahoo.com>; Filiberto Trevino (ftrevinoiii@gmail.com) <ftrevinoiii@gmail.com>; Brandon Barrera (brandon.barrera2015@yahoo.com) <brandon.barrera2015@yahoo.com>

Cc: Frances Rosales <fvrosales@stwa.org>

Subject: FW: Weekly Pipeline: TRWA eNews

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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: TRWA Communications <editor@trwa.org>

Sent: Friday, August 21, 2020 3:32 PM

To: mcserrato@stwa.org

Subject: Weekly Pipeline: TRWA eNews

[Click here to view this email in your browser](#)



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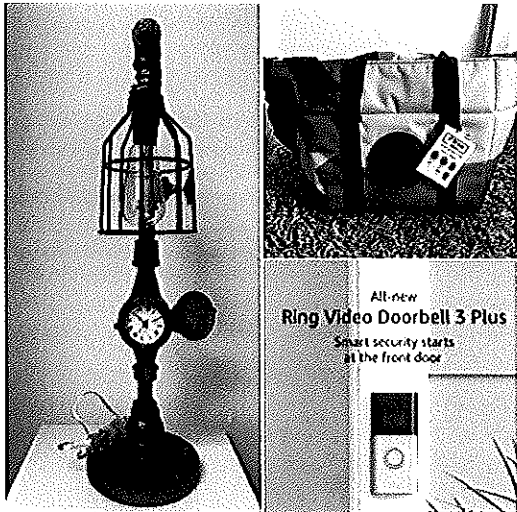
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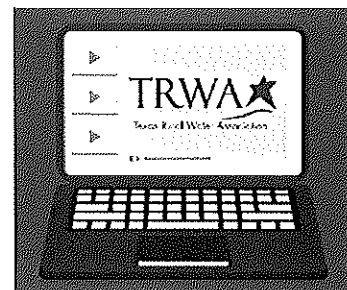
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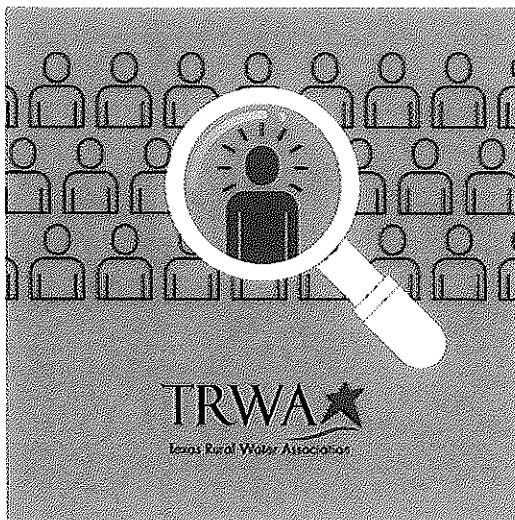
Public Funds Investment Act Training:

October 14

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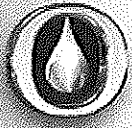
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Fifth Circuit Follows TRWA's Amicus Brief in Green Valley SUD's Major CCN Decertification Case: On August 7, the New Orleans-based Fifth Circuit Court of Appeals overturned long-standing precedent established in North Alamo WSC v. City of San Juan, a 1996 decision by the same court holding that a federally-indebted utility's duty to provide service under its CCN is the equivalent to "making service available" under federal law. **[Read the full release on TRWA's blog here.](#)**

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ATTACHMENT 14

KCAD Nomination

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: Kleberg County Appraisal District (KCAD) Board of Directors Election and STWA's Eligibility to Nominate a Candidate

Background:

The last time the Board considered items related to the KCAD Board was in July of 2019. Enclosed is information from Chief Appraiser Tina Flores regarding the election process, STWA's eligibility and number of votes STWA can cast.

Analysis:

At this time, the Board can submit a nominee by resolution to be placed on the KCAD ballot. The election will occur towards the end of the year. STWA has 130 votes it can cast. If Board Members are aware of a person that is interested in serving, Resolution 21-14 would need to be formally approved and submitted to KCAD.

Staff Recommendation:

As the Board can see by the KCAD supplied information, STWA's number of votes is much smaller by comparison to the other taxing units in Kleberg County. This is as a result of STWA's tax levy being much smaller than those other entities.

Board Action:

Determine whether to submit the name of a nominee with the adoption of Resolution 21-14.

Summarization:

It warrants noting that KCAD Board Members are prohibited from becoming involved in the actual appraisal of property. The Kleberg County Appraisal Review Board is the body that is responsible for hearing taxpayer protests on their values and determining what, if any, adjustment is warranted.

KLEBERG COUNTY APPRAISAL DISTRICT

P. O. BOX 1027 - 502 E. Kleberg

Kingsville, Texas 78364

Phone: 361-595-5775 -- Fax: 361-595-7984

RECEIVED

JUN 10 2021

June 9, 2021

SOUTH TEXAS WATER AUTHORITY

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

Dear Mr. Galvan,

In accordance with Section 6.03(c), Conservation and reclamation districts may participate in this year's board of director's election process. This is due to the request for participation submitted by South Texas Water Authority dated June 2, 2021. The request made by South Texas Water Authority was made **before June 4, 2021** and was considered timely filed. Kleberg County Appraisal District allowed for filing request **no later than June 3** due to Covid-19 situation of 2021 as timely filed.

In accordance with Section 6.03(c) of the Texas Property Tax Code, after receiving the request for participation from South Texas Water Authority, The Chief Appraiser shall:

1. Certified a list of all eligible conservation and reclamation Districts that are imposing taxes and that participate in the appraisal district **by June 15**. (This is provided for you on page 4 of this letter)

In accordance with Section 6.03(f) of the Texas Property Tax Code, the chief appraiser shall:

1. Calculate the number of votes to which each eligible conservation and reclamation district is entitled and deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district **before July 1 of each odd-number year**. (This is provided for you on page 4 of this letter)

Kleberg County Appraisal District considers this written notice of each conservation and reclamation districts voting entitlement and right to nominate a board of director for Kleberg County Appraisal District. **You will find a certification of all eligible conservation and reclamation districts and their number of votes for this process on page 4 of this letter.** Enclosed, you will find information sources that will also help you with this process.

Below you will find information and timelines that dictate your district's and the appraisal district's responsibilities during Kleberg County Appraisal District's board of directors election process.

In accordance with Section 6.03 (h) of the Texas Property Tax Code, your district may nominate by resolution adopted by its governing body, one candidate for the appraisal district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the appraisal district nominee to the chief appraiser **before July 15, 2021.** (The Chief appraiser will ask for a copy of the resolution for verification.)

In accordance with Section 6.03(h) of the Texas Property Tax Code, **before August 1, 2021,** the chief appraiser shall prepare and deliver a nominating ballot to the presiding officer of each conservation and reclamation district's board of directors. The ballot will list all the nominees of each conservation and reclamation district alphabetically by surname.

In accordance with Section 6.03(h) of the Texas Property Tax Code, **before August 15, 2021,** each conservation and reclamation district's board of directors shall determine its votes for nominees by resolution and submit the resolution to the chief appraiser. The chief appraiser will then count the votes and determine the conservation and reclamation district's nominee. The person with the most votes from the conservation and reclamation districts wins the nomination if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

In accordance with Section 6.03(i) of the Texas Property Tax Code, **if no nominee of the conservation and reclamation districts receives more than 10 percent** of the votes entitled to be cast under Subsection (h), The chief appraiser **before September 1, 2021,** shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. **By September 15, 2021,** each conservation and reclamation district may submit a nominee by resolution adopted by its governing body one candidate for the district's board of directors (The Chief appraiser will ask for a copy of the resolution for verification.) The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser. **By October 1, 2021,** the Chief appraiser shall prepare and deliver to the presiding officer of the board of directors of each conservation and reclamation district, a second nominating ballot, listing all the nominees of the conservation and reclamation districts alphabetically by surname. **Before October 15, 2021,** the conservation and reclamation districts shall determine their votes for a nominee by resolution and submit it to the chief appraiser. The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in

the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

In accordance with Section 6.03(j) of the Texas Property Tax Code, **before October 30, 2021** the chief appraiser shall prepare a ballot, listing the candidates alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each Taxing unit that is entitled to vote.

In accordance with Section 6.03(k) of the Texas Property Tax Code, **before December 15, 2021**, the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit the resolution to the chief appraiser.

In accordance with Section 6.03(k) of the Texas Property Tax Code, **before December 31, 2021**, the chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results to the taxing units that were entitled to vote and the to the candidates.

(For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes cast by the conservation and reclamation districts is considered to have received all of the votes cast by the conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts.)

In accordance with Section 6.03(k) of the Texas Property Tax Code, the chief appraiser shall resolve a tie vote by any method of chance.

If the last day for the performance of an act is dated on a Saturday, Sunday, or legal state or national holiday the act is timely if performed on the next regular business day.

Please feel free to contact me if you have any question.

Sincerely,



Ernestina (Tina) Flores, R.P.A.
Chief Appraiser of Kleberg County

enclosures

*CERTIFICATION OF ALL ELIGIBLE CONSERVATION
AND/OR RECLAMATION DISTRICTS*

*THAT ARE IMPOSING TAXES IN KLEBERG COUNTY
and
THAT PARTICIPATE IN KLEBERG COUNTY APPRAISAL DISTRICT*

Taxing Unit: South Texas Water Authority

*I, Ernestina (Tina) Flores, Chief Appraiser of
Kleberg County Appraisal District, do hereby
Certify the 2021 list of eligible conservation
and reclamation districts and their number of
votes listed below.*

Eligible Conservation Districts

Kenedy County Ground Water Conservation District

Votes: 5

Eligible Conservation and Reclamation Districts:

South Texas Water Authority

Votes: 130

Ernestina Flores, R.P.A.

Date: 6-9-21

Received By:

Date: _____

*(Please sign and send a signed copy of this page to Kleberg County
Appraisal District)*

Governance

Composition of Board of Directors

The board of directors is composed of five members.⁴ The number of directors can be increased up to 13 by action of the board of directors.⁵ However, in most cases, the board of directors may not make this change if a voting taxing unit adopts a resolution opposing the change.⁶

Taxing units participating in the CAD may increase the number of directors up to 13 members if three-fourths of voting taxing units adopt resolutions.⁷ A change is not valid if it reduces the voting entitlement of one or more taxing units (unless the taxing unit adopts one of two specified resolutions) or if it expands the types of taxing units that are entitled to vote on the appointment of directors.⁸

The county TAC is a nonvoting director, if not appointed as a voting director.⁹ If a commissioner's court of the county enters into a contract for assessment and collections under Tax Code Section 6.24(b) or if the CAD board of directors enters into a contract for appraisal under Tax Code Section 6.05(b), then the county TAC is ineligible to serve on the board of directors.¹⁰

Board members may not receive compensation for service on the board but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties.¹¹ This reimbursement is as provided by the budget adopted the board of directors.¹²

⁴ Tex. Tax Code §6.03(a)

⁵ Tex. Tax Code §6.031(a)

⁶ Tex. Tax Code §6.031(a)

⁷ Tex. Tax Code §6.031(b)

⁸ Tex. Tax Code §6.031(b)

⁹ Tex. Tax Code §6.03(a)

¹⁰ Tex. Tax Code §6.03(a)

¹¹ Tex. Tax Code §6.04(c)

¹² Tex. Tax Code §6.04(c)



Appointment, Eligibility and Terms

Appointment: Taxing units—counties, cities/towns, school districts, junior colleges and certain conservation and reclamation districts—select directors in the fall of odd-numbered years.¹³ Conservation and reclamation districts may participate in this process if at least one conservation and reclamation district in the CAD delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year.¹⁴ On request, the chief appraiser must certify all eligible conservation and reclamation districts that are imposing taxes and that participate in the CAD by June 15.¹⁵

The board of directors is selected by appointment; it is not an election governed by the Texas Election Code.¹⁶ The method or procedure for appointing members can be changed by the board of directors or by three-fourths of the voting taxing units acting through resolutions.¹⁷

The voting entitlement of a taxing unit is determined by a calculation that takes into account a taxing unit's share of the total dollar amount of property taxes imposed in the CAD.¹⁸ The chief appraiser makes this calculation for each taxing unit (other than conservation and reclamation districts) and delivers written notice before Oct. 1 of each odd-numbered year of the number of votes to which each taxing unit is entitled.¹⁹ Each taxing unit (other than a conservation and reclamation district)

¹³ Tex. Tax Code §6.03

¹⁴ Tex. Tax Code §6.03(c)

¹⁵ Tex. Tax Code §6.03(c)

¹⁶ Tex. Att'y Gen. Op. JM-166 (1984)

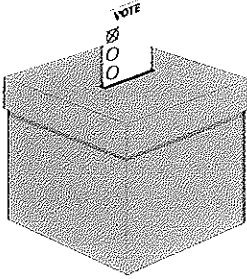
¹⁷ Tex. Tax Code §6.031(a) and (b)

¹⁸ Tex. Tax Code §6.03(d)

¹⁹ Tex. Tax Code §6.03(e)

that is entitled to vote may submit to the chief appraiser one nominee for each position to be filled before Oct. 15.²⁰

The chief appraiser also must calculate the number of votes that an eligible conservation and reclamation district is entitled to and must deliver before July 1 of each odd-numbered year, a written notice to the district of its voting entitlement and right to nominate one candidate for director.²¹ All eligible conservation and reclamation districts must submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year.²² Before Aug. 1, the chief appraiser must prepare a nominating ballot listing all the nominees of conservation and reclamation districts and deliver a ballot to the presiding officer of the board of directors of each district.²³ The board of directors of each district must submit its vote for the nominee of conservation and reclamation districts before Aug. 15.²⁴ The winning nominee of the conservation and reclamation districts in the CAD becomes a nominee for CAD director.²⁵



The chief appraiser must prepare a ballot before Oct. 30 with candidates whose names were timely submitted, including the nominee of conservation and reclamation districts if applicable.²⁶ Each taxing unit entitled to vote must determine its vote by resolution and submit it to the chief appraiser before Dec.

15.²⁷ The five candidates who receive the largest cumulative vote totals become the board of directors.²⁸ The chief appraiser announces the new directors before Dec. 31.²⁹ Ties must be resolved by the chief appraiser by any method of chance.³⁰

Both the board of directors and taxing units may propose to change the method or procedure for appointing directors.³¹ If the board of directors makes the proposal, then a voting

taxing unit may veto the proposal by filing a resolution before Sept. 1.³² If a participating taxing unit proposes a change, the change is adopted if three-fourths of the voting taxing units adopt resolutions providing for the change.³³ A resolution to change the method or procedure for appointing directors must be filed with the chief appraiser after June 30 and before Oct. 1 of a year in which members are appointed, or the resolution is ineffective.³⁴

Throughout the selection process, the Tax Code specifies dates for action by the chief appraiser and the taxing units. The dates provided in Tax Code Section 6.03(f) and (g) are directory and not mandatory.³⁵ However, the advice of legal counsel should be obtained in such situations.

***Eligibility:** To be eligible to serve on a board of directors, an individual must be a resident of the CAD and must have resided in the CAD for at least two years immediately preceding the date of taking office.³⁶ This residency requirement does not apply to a county TAC serving as a nonvoting director.³⁷

An employee of a taxing unit that participates in the CAD is not eligible to serve on the board of directors, unless that individual also is a member of the governing body of the taxing unit or an elected official of a taxing unit.³⁸ Membership on the governing body of a taxing unit does not make an otherwise eligible individual ineligible to serve on the board of directors.³⁹

Owing delinquent property taxes disqualifies a person from serving on the CAD board of directors.⁴⁰ The person is ineligible if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency.⁴¹ This disqualification does not apply if the person is paying the delinquent taxes and any penalties and interest under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.⁴²

²⁰ Tex. Tax Code §6.03(g)

²¹ Tex. Tax Code §6.03(f) and (h)

²² Tex. Tax Code §6.03(h)

²³ Tex. Tax Code §6.03(h)

²⁴ Tex. Tax Code §6.03(h)

²⁵ Tex. Tax Code §6.03(h)

²⁶ Tex. Tax Code §6.03(j)

²⁷ Tex. Tax Code §6.03(k)

²⁸ Tex. Tax Code §6.03(k)

²⁹ Tex. Tax Code §6.03(k)

³⁰ Tex. Tax Code §6.03(k)

³¹ Tex. Tax Code §6.031(a) and (b)

³² Tex. Tax Code §6.031(a)

³³ Tex. Tax Code §6.031(b)

³⁴ Tex. Tax Code §6.031(c)

³⁵ Tex. Att'y Gen. Op. JM-166 (1984)

³⁶ Tex. Tax Code §6.03(a)

³⁷ Tex. Tax Code §6.03(a)

³⁸ Tex. Tax Code §6.03(a)

³⁹ Tex. Tax Code §6.03(a)

⁴⁰ Tex. Tax Code §6.035(a)(2)

⁴¹ Tex. Tax Code §6.035(a)(2)

⁴² Tex. Tax Code §6.035(a)(2)

Degrees of Consanguinity and Affinity

1st DEGREE	2nd DEGREE	3rd DEGREE
<p>By Consanguinity</p> <ul style="list-style-type: none"> • Parents • Children <p>By Affinity</p> <ul style="list-style-type: none"> • Spouses of relatives listed under first degree consanguinity • Spouse • Spouse's parents • Spouse's children • Stepparents • Stepchildren 	<p>By Consanguinity</p> <ul style="list-style-type: none"> • Grandparents • Grandchildren • Brothers & sisters <p>By Affinity</p> <ul style="list-style-type: none"> • Spouses of relatives listed by second degree consanguinity • Spouse's grandparents • Spouse's grandchildren • Spouse's brothers & sisters 	<p>By Consanguinity</p> <ul style="list-style-type: none"> • Great grandparents • Great grandchildren • Nieces & nephews • Aunts & uncles <p>By Affinity</p> <ul style="list-style-type: none"> • No prohibitions

A person who has appraised property for compensation for use in proceedings or represented property owners for compensation in proceedings in the CAD at any time within the preceding three years is ineligible to serve on the board of directors.⁴³

A person is ineligible to serve on the board of directors if the individual is related within the second degree of consanguinity (blood) or affinity (marriage) to the following:

- an appraiser who appraises property for use in a proceeding under the Tax Code; or
- a person who represents property owners for compensation in proceedings under the Tax Code in the CAD.⁴⁴

A director who continues to hold office knowing he or she is related in this manner to the above named persons commits a Class B misdemeanor offense.⁴⁵

An individual is not eligible to be appointed to or to serve on the board of directors if an individual has a substantial interest in a business entity that is party to a contract or the individual is a party to a contract with the CAD.⁴⁶ This prohibition also applies to contracts with a taxing unit that participates in the CAD if the contract relates to the performance of an activity

governed by the Tax Code.⁴⁷ A CAD may not enter into a contract with a board member or with a business entity in which a board member has a substantial interest.⁴⁸ A taxing unit may not enter into a contract relating to the performance of an activity governed by the Tax Code with a board member in which the taxing unit participates or with a business entity in which a board member has a substantial interest.⁴⁹

An individual has substantial interest in a business entity if:

- the combined ownership of the director and the director's spouse is at least 10 percent of the voting stock or shares of the business entity; or
- the director or director's spouse is a partner, limited partner or officer of the business entity.⁵⁰



Term of Office and Vacancy: CAD directors serve two-year terms.⁵¹ Each term begins on Jan. 1 of an even-numbered year.⁵² The two-year term of office does not apply to the county TAC who serves as a nonvoting director.⁵³

⁴³ Tex. Tax Code §6.035(a-1)

⁴⁴ Tex. Tax Code §6.035(a)(1)

⁴⁵ Tex. Tax Code §6.035(b)

⁴⁶ Tex. Tax Code §6.036(a)

⁴⁷ Tex. Tax Code §6.036(a)

⁴⁸ Tex. Tax Code §6.036(b)

⁴⁹ Tex. Tax Code §6.036(c)

⁵⁰ Tex. Tax Code §6.036(d)

⁵¹ Tex. Tax Code §6.03(b)

⁵² Tex. Tax Code §6.03(b)

⁵³ Tex. Tax Code §6.03(b)

Voting taxing units may adopt staggered one and two-year terms.⁵⁴ To adopt staggered terms, taxing units must take two actions.⁵⁵ First, at least three-fourths of the voting taxing units are required to adopt resolutions for staggered terms.⁵⁶ Second, the voting taxing units must have changed the method for appointing members to end cumulative voting (casting all or part of the votes to which the taxing unit is entitled). These two actions may be proposed concurrently.⁵⁷

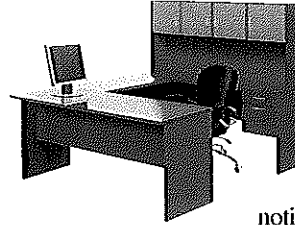
A resolution proposing staggered terms must be filed with the chief appraiser after June 30 and before Oct. 1.⁵⁸ If the chief appraiser determines that enough taxing units filed valid resolutions, he or she must notify all taxing units of the change before Oct. 10.⁵⁹ Staggered terms take effect on Jan. 1 of the next even-numbered year.⁶⁰ To start staggering terms, all members are appointed for that year without regard to staggered terms.⁶¹ At the earliest practical date after Jan. 1, the board determines by lot which of its members will serve one- and two-year terms.⁶²

Boards with an even number of members divide the one- and two-year terms in half. Boards with an odd number of members must have one more member with a two-year term than members with one-year terms.⁶³ For example, a six-member board would choose three members to serve one-year terms. A five-member board would choose two.

For each director's term that expires on Jan. 1, the CAD must annually appoint directors for a term that begins on that Jan. 1.⁶⁴

Staggered terms may be rescinded by resolution of a majority of voting taxing units.⁶⁵ The resolution must be adopted and filed with the chief appraiser after June 30 and before Oct. 1 of odd-numbered years.⁶⁶ After a valid rescission, the terms of all current members expire on the next Jan. 1, even if a member

will have only served one year of a two-year term.⁶⁷ The entire board will be appointed for two-year terms on that date.⁶⁸ Staggered terms are automatically rescinded if the CAD makes a change in the method of appointing board members that results in a method of using cumulative voting.⁶⁹



If a vacancy occurs on the board, each voting taxing unit nominates by resolution a candidate to fill the vacancy.⁷⁰ Within 45 days after receiving

notice from the board of directors

that a vacancy exists, a taxing unit must submit the nomination to the chief appraiser.⁷¹ The chief appraiser delivers a list of the nominees to the directors within the next five days.⁷² Directors select by majority vote one of the nominees to fill the vacancy.⁷³ If a vacancy occurs for a board with staggered terms, the vacancy is filled by appointment of the voting taxing unit that nominated the person whose departure caused the vacancy.⁷⁴

Conflicts of Interest

Board members are subject to conflict of interest provisions in law, including Tax Code Section 6.036 which excludes certain individuals from serving on the board of directors. Local Government Code Chapter 171 applies to all local officials, including boards of directors of CADs. Local Government Code Chapter 176 applies to officers of political subdivisions of the state.⁷⁵

For more information, see the Texas Ethics Commission's conflict of interest forms at ethics.state.tx.us/forms/conflict.

Ex Parte Communications

A board member commits a Class C misdemeanor offense if the member directly or indirectly communicates with the chief appraiser on any matter relating to the appraisal of property by the CAD.⁷⁶ However, this type of communication is allowed in:

⁵⁴ Tex. Tax Code §6.034(a)

⁵⁵ Tex. Tax Code §6.034(a)

⁵⁶ Tex. Tax Code §6.034(a)

⁵⁷ Tex. Tax Code §6.034(a)

⁵⁸ Tex. Tax Code §6.034(b)

⁵⁹ Tex. Tax Code §6.034(c)

⁶⁰ Tex. Tax Code §6.034(d)

⁶¹ Tex. Tax Code §6.034(d)

⁶² Tex. Tax Code §6.034(d)

⁶³ Tex. Tax Code §6.034(d)

⁶⁴ Tex. Tax Code §6.034(e)

⁶⁵ Tex. Tax Code §6.034(g)

⁶⁶ Tex. Tax Code §6.034(g)

⁶⁷ Tex. Tax Code §6.034(g)

⁶⁸ Tex. Tax Code §6.034(g)

⁶⁹ Tex. Tax Code §6.034(h)

⁷⁰ Tex. Tax Code §6.03(l)

⁷¹ Tex. Tax Code §6.03(l)

⁷² Tex. Tax Code §6.03(l)

⁷³ Tex. Tax Code §6.03(l)

⁷⁴ Tex. Tax Code §6.034(i)

⁷⁵ Tex. Local Government Code §171.001(1) and §176.001(3) and (4)

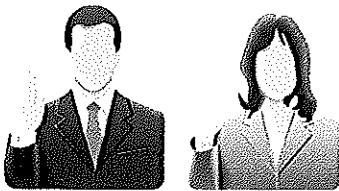
⁷⁶ Tex. Tax Code §6.15(a) and (d)

- an open meeting of the CAD board of directors or another public forum; or
- a closed meeting of the board of directors held to consult with its attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and its attorney.⁷⁷

These ex parte communication provisions do not apply to a routine communication between the chief appraiser and the county TAC relating to the administration of an appraisal roll, including a communication made in connection with the certification, correction or collection of an account.⁷⁸ This exception applies regardless of whether the county TAC was appointed to the board of directors or serves as a nonvoting director.⁷⁹

These ex parte communication provisions do not prohibit a CAD board member from transmitting in writing to a chief appraiser, without comment, a complaint by a property owner or taxing unit about the appraisal of a specific property.⁸⁰

Oath of Office



The Texas Constitution requires all elected and appointed officers to sign an anti-bribery statement and take an oath of office before beginning the duties of the office.⁸¹

The constitutionally prescribed anti-bribery statement is located on the Secretary of State's website as Form 2201 at sos.state.tx.us/statdoc/forms/2201.pdf. A director signs this statement before the oath of office is administered.⁸² Directors should retain the statement in the official records of the appraisal district.⁸³

The official oath of office is found on the Secretary of State's website as Form 2204 at sos.state.tx.us/statdoc/forms/2204.pdf.

⁷⁷ Tex. Tax Code §6.15(a)

⁷⁸ Tex. Tax Code §6.15(c)

⁷⁹ Tex. Tax Code §6.15(c)

⁸⁰ Tex. Tax Code §6.15(c)

⁸¹ Tex. Const. XVI, §1(a) and (b)

⁸² Tex. Const. XVI, §1

⁸³ Tex. Const. XVI, §1(c)

Recalling a Director

A taxing unit may ask for the recall of any director the taxing unit voted for in the appointment process.⁸⁴ A recall starts when a taxing unit files a resolution with the chief appraiser stating that the taxing unit is calling for the recall of a named member.⁸⁵ Within 10 days after a taxing unit files a recall resolution, the chief appraiser must give written notice of the filing of the resolution to the presiding officer of each voting taxing unit.⁸⁶

Only the taxing units that voted for the member may vote.⁸⁷ A recall-voting taxing unit has the same number of votes in the recall that it cast in appointing the board member.⁸⁸ A taxing unit votes by submitting a resolution to the chief appraiser on or before the 30th day after the recall resolution is filed.⁸⁹

Not later than the 10th day after the last day for voting in favor of the recall, the chief appraiser must count the casted votes.⁹⁰ A director is recalled if the number of votes cast in favor of recall equals or exceeds a majority of the votes cast appointing the board member.⁹¹ The chief appraiser must immediately notify in writing the presiding officer of the board of directors and the governing body of each recall-voting taxing unit of the results.⁹² If the chair is the subject of the recall, the board secretary shall also be notified.⁹³

After a recall, the director's vacancy is filled by the recall-voting taxing units appointing a new board member.⁹⁴ Each recall-voting taxing unit may nominate by resolution one candidate and is entitled to the same number of votes it originally cast to appoint the recalled member.⁹⁵

On or before the 15th day after the last day nominations must be submitted, the chief appraiser must prepare a ballot and deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote to fill

⁸⁴ Tex. Tax Code §6.033(a)

⁸⁵ Tex. Tax Code §6.033(a)

⁸⁶ Tex. Tax Code §6.033(a)

⁸⁷ Tex. Tax Code §6.033(b)

⁸⁸ Tex. Tax Code §6.033(b)

⁸⁹ Tex. Tax Code §6.033(b)

⁹⁰ Tex. Tax Code §6.033(c)

⁹¹ Tex. Tax Code §6.033(c)

⁹² Tex. Tax Code §6.033(c)

⁹³ Tex. Tax Code §6.033(c)

⁹⁴ Tex. Tax Code §6.033(d)

⁹⁵ Tex. Tax Code §6.033(d)

Board Duties, Authority and Policies

A board of directors has required duties and authority under the Tax Code. Other additional duties and authority are provided for in other law. Consult an attorney regarding all legal duties and authority.

Primary Duties

The following is a nonexclusive list of the primary responsibilities of the board of directors under the Tax Code:

Establish the appraisal district office;¹⁰²

Hire a chief appraiser;¹⁰³

Adopt the CAD's annual operating budget before Sept. 15 after fulfilling notice requirements and holding a public hearing;¹⁰⁴

Adopt a new budget within 30 days after a budget is disapproved by voting taxing units;¹⁰⁵

Appoint appraisal review board (ARB) members in counties with a population of less than 120,000;¹⁰⁶

Notify taxing units of any vacancy on the board and elect by majority vote of members one of the submitted nominees;¹⁰⁷

Elect from members a chair and secretary at the first meeting of the calendar year;¹⁰⁸

Have board meetings at least once each calendar quarter;¹⁰⁹

Develop and implement policies regarding reasonable access to the board;¹¹⁰

Prepare information describing the board's functions and complaint procedures; the information must be made available to the public and the appropriate taxing units;¹¹¹

Notify parties to a complaint filed with the board of the status of the complaint unless otherwise provided;¹¹²

Appoint a taxpayer liaison officer (in counties having a population of over 120,000);¹¹³

Biennially develop a written plan for the periodic reappraisal of all property in the CAD's boundaries, hold a public hearing with the required notice, approve a plan by Sept. 15 of each even-numbered year and distribute copies to participating taxing units and to the Comptroller's office as required;¹¹⁴

Make an agreement with newly formed taxing unit's governing body on an estimated budget allocation for the new taxing unit;¹¹⁵

Have prepared an annual financial audit conducted by an independent certified public accountant and deliver a copy of the audit to each voting taxing unit and make available for inspection at the CAD office;¹¹⁶

Designate the CAD depository at least once every two years;¹¹⁷

Receive taxing units' resolutions disapproving board actions;¹¹⁸

Adhere to requirements regarding purchasing and contracting under Local Government Code Chapter 252;¹¹⁹

Provide advice and consent to the chief appraiser concerning the appointment of an agricultural appraisal advisory board and determine the number of members on that advisory board;¹²⁰

Adhere to laws concerning the preservation, microfilming, destruction or other disposition of records; and¹²¹

Adopt and implement a policy for the temporary replacement of an ARB member who violates ex-parte communication requirements.¹²²

¹⁰² Tex. Tax Code §6.05(a)

¹⁰³ Tex. Tax Code §6.05(c)

¹⁰⁴ Tex. Tax Code §6.06(b)

¹⁰⁵ Tex. Tax Code §6.06(b)

¹⁰⁶ Tex. Tax Code §§6.41(d) and (d-1)

¹⁰⁷ Tex. Tax Code §6.03(l)

¹⁰⁸ Tex. Tax Code §6.04(a)

¹⁰⁹ Tex. Tax Code §6.04(b)

¹¹⁰ Tex. Tax Code §6.04(d) and (e)

¹¹¹ Tex. Tax Code §6.04(f)

¹¹² Tex. Tax Code §6.04(g)

¹¹³ Tex. Tax Code §6.052(a)

¹¹⁴ Tex. Tax Code §6.05(i)

¹¹⁵ Tex. Tax Code §6.06(h)

¹¹⁶ Tex. Tax Code §6.063(a) and (b)

¹¹⁷ Tex. Tax Code §6.09

¹¹⁸ Tex. Tax Code §6.10

¹¹⁹ Tex. Tax Code §6.11

¹²⁰ Tex. Tax Code §6.12(a)

¹²¹ Tex. Tax Code §6.13

¹²² Tex. Tax Code §41.66(g)

Statutory Authority

Tax Code Chapter 6 contains much of the statutory authority for boards of directors. The following is a non-exclusive list of boards' authority:

Provide for the operation of a consolidated CAD by interlocal contract between two or more adjoining CADs;¹²³

Change the number of directors or method of selecting directors, or both, unless any of the voting taxing units oppose the change;¹²⁴

Have board meetings at any time at the call of the chair or as provided by board rule;¹²⁵

Contract with another CAD or with a taxing unit in the CAD to perform the duties of the appraisal district office;¹²⁶

Prescribe, by resolution, specified actions of the chief appraiser relating to CAD finances or administration that are subject to board approval;¹²⁷

Employ a general counsel to the CAD to serve at the will of the board;¹²⁸

Purchase or lease real property and construct improvements necessary to establish and operate an appraisal district office or branch office;¹²⁹

Convey real property owned by the CAD;¹³⁰

Amend the approved operating budget after giving notice to participating taxing units not later than the 30th day before the date the board acts on the proposed amendment;¹³¹

Authorize the chief appraiser to disburse CAD funds;¹³²

Change the CAD's method of financing unless any participating taxing unit opposes the change;¹³³

Contract with the governing body of a taxing unit or county to assess and collect taxes through the Interlocal Cooperation Act;¹³⁴

Change the number of ARB members; and¹³⁵

Appoint auxiliary ARB members and select the number of auxiliary members by resolution, except in certain counties.¹³⁶

The Tax Code also provides certain statutory authority to the board of directors outside of Chapter 6, including authorizing a board of directors to approve the chief appraiser to contract with private appraisal firms to perform appraisal services under Tax Code Section 25.01(b). On written approval of the board of directors, a chief appraiser is entitled to appeal certain ARB orders to district court as provided by Tax Code Section 42.02.

Limited Appraisal Authority



The board's appraisal authority is limited. The board does not appraise property or review values on individual properties. The law assigns these tasks to the chief appraiser and the ARB, respectively. The board of directors does have the authority to give written approval for a chief appraiser to appeal certain ARB orders in court.¹³⁷

The board has authority over appraisal policy through the following duties and authority:

- duty to develop biennially a written plan for periodic reappraisal;¹³⁸
- duty to adopt an operating budget to reflect the board's decisions on handling appraisals;¹³⁹
- authority to contract with another CAD or with a taxing unit in the CAD to perform the duties of the appraisal district's office; and¹⁴⁰
- authority to approve the chief appraiser to contract with private appraisal firms to perform appraisal services.¹⁴¹

Meetings



At the board of directors' first meeting each calendar year, the board must

elect from its members a chair and a secretary.¹⁴² A nonvoting TAC may serve as chair or secretary.¹⁴³ A majority of the CAD board of directors constitutes a quorum.¹⁴⁴ A TAC who is a

¹²³ Tex. Tax Code §6.02

¹²⁴ Tex. Tax Code §6.031(a)

¹²⁵ Tex. Tax Code §6.04(b)

¹²⁶ Tex. Tax Code §6.05(b)

¹²⁷ Tex. Tax Code §6.05(h)

¹²⁸ Tex. Tax Code §6.05(j)

¹²⁹ Tex. Tax Code §6.051(a)

¹³⁰ Tex. Tax Code §6.051(c)

¹³¹ Tex. Tax Code §6.06(c)

¹³² Tex. Tax Code §6.06(f)

¹³³ Tex. Tax Code §6.061(a)

¹³⁴ Tex. Tax Code §6.24(a) and (b)

¹³⁵ Tex. Tax Code §6.41(b)

¹³⁶ Tex. Tax Code §6.414

¹³⁷ Tex. Tax Code §42.02(a) and (c)

¹³⁸ Tex. Tax Code §6.05(i)

¹³⁹ Tex. Tax Code §6.06(b)

¹⁴⁰ Tex. Tax Code §6.05(b)

¹⁴¹ Tex. Tax Code §25.01(b)

¹⁴² Tex. Tax Code §6.04(a)

¹⁴³ Tex. Att'y Gen. Op. JC-0580 (2002)

¹⁴⁴ Tex. Tax Code §6.04

KLEBERG COUNTY APPRAISAL DISTRICT
2022-2023 BOARD OF DIRECTORS
TAXING ENTITY CALCULATION OF VOTES

KLEBERG COUNTY

$$\begin{array}{r} \$12,199,834.50 \div \$39,809,013.07 \\ 0.306459 \text{ X } 1000 \\ 306.46 = 306 \\ 306 \text{ X } 5 \\ = \hline 1530 \end{array}$$

CITY OF KINGSVILLE

$$\begin{array}{r} \$7,331,592.33 \div \$39,809,013.07 \\ 0.184169 \text{ X } 1000 \\ 184.17 = 184 \\ 184 \text{ X } 5 \\ = \hline 920 \end{array}$$

KINGSVILLE I.S.D.

$$\begin{array}{r} \$13,237,495.77 \div \$39,809,013.07 \\ 0.332525 \text{ X } 1,000 \\ 332.53 = 333 \\ 333 \text{ X } 5 \\ = \hline 1665 \end{array}$$

RICARDO I.S.D.

$$\begin{array}{r} \$2,083,702.02 \div \$39,809,013.07 \\ 0.052342 \text{ X } 1000 \\ 52.34 = 52 \\ 52 \text{ X } 5 \\ = \hline 260 \end{array}$$

RIVIERA I.S.D.

$$\begin{array}{r} \$2,764,186.22 \div \$39,809,013.07 \\ 0.069436 \text{ X } 1,000 \\ 69.44 = 69 \\ 69 \text{ X } 5 \\ = \hline 345 \end{array}$$

SANTA GERTRUDIS I.S.D.

$$\begin{array}{r} \$1,098,656.54 \div \$39,809,013.07 \\ 0.027598 \text{ X } 1,000 \\ 27.60 = 28 \\ 28 \text{ X } 5 \\ = \hline 140 \end{array}$$

KLEBERG COUNTY APPRAISAL DISTRICT
2022-2023 BOARD OF DIRECTORS
TAXING ENTITY CALCULATION OF VOTES

SOUTH TEXAS WATER AUTHORITY

$$\begin{array}{r r r r} \$1,039,951.49 & \div & \$39,809,013.07 & \\ 0.026124 & X & 1,000 & \\ 26.12 & = & 26 & \\ 26 & X & 5 & \\ = & & \underline{130} & \end{array}$$

KENEDY COUNTY GROUNDWATER

$$\begin{array}{r r r r} \$47,717.90 & \div & \$39,809,013.07 & \\ 0.001199 & X & 1,000 & \\ 1.20 & = & 1 & \\ 1 & X & 5 & \\ = & & \underline{5} & \end{array}$$

CITY OF CORPUS CHRISTI

$$\begin{array}{r r r r} \$5,876.30 & \div & \$39,809,013.07 & \\ 0.00015 & X & 1,000 & \\ 0.15 & = & 1 & \\ 1 & X & 5 & \\ = & & \underline{5} & \end{array}$$

KLEBERG COUNTY APPRAISAL DISTRICT
2022-2023 BOARD OF DIRECTORS
TAXING ENTITY VOTES

TAXING JURISDICTIONS	2020 LEVIES	PERCENT	TOTAL VOTES	CALCULATED DISTRICT VOTES	ACTUAL VOTES
KLEBERG COUNTY	\$12,199,834.50	0.306459	5000	1532	1530
CITY OF KINGSVILLE	\$7,331,592.33	0.184169	5000	921	920
KINGSVILLE I.S.D.	\$13,237,495.77	0.332525	5000	1663	1665
RICARDO I.S.D.	\$2,083,702.02	0.052342	5000	262	260
RIVIERA I.S.D.	\$2,764,186.22	0.069436	5000	347	345
SANTA GERTRUDIS I.S.D.	\$1,098,656.54	0.027598	5000	138	140
SOUTH TEXAS WATER AUTHORITY	\$1,039,951.49	0.026124	5000	131	130
KENEDY COUNTY GROUNDWATER	\$47,717.90	0.001199	5000	6	5
CITY OF CORPUS CHRISTI	<u>\$5,876.30</u>	0.000148	5000	1	5
TOTAL	\$39,809,013.07	100.00%		5000	5000

minerals for purposes of ad valorem taxation by calculating the percentage of surface acres in the county and applying that percentage to the mineral interest; its burden under Tex. Tax Code Ann. § 21.01 to prove the situs of the taxable property allowed it to tax only minerals actually in the county, in accordance with the provisions of Tex. Const. art. VIII, § 11 and Tex. Const. art. VIII, § 20 for property to be assessed at fair market

value in the county where situated, and of Tex. Tax Code Ann. § 6.01(a), (b) and Tex. Tax Code Ann. § 6.02(a) for an appraisal district in each county. *Devon Energy Prod., L.P. v. Hockley County Appraisal Dist.*, 178 S.W.3d 879, 169 Oil & Gas Rep. 78, 2005 Tex. App. LEXIS 9177 (Tex. App. Amarillo Nov. 3, 2005, no pet.).

ATTORNEY GENERAL OPINIONS

Analysis

Jurisdiction.
Savings Clause.

Jurisdiction.

Despite the enactment of House Bill 1010 by the Eightieth Legislature, an appraisal district operating in overlapping territory by operation of Tex. Tax Code Ann. § 6.02(b) retains authority to hear and determine pending corrective motions and taxpayer protests concerning property in that territory that relate to the 2007, or prior, tax year. 2008 Tex. Op. Att'y Gen. GA-0631, 2008 Tex. AG LEXIS 45.

Savings Clause.

After the 2007 legislation that altered the legal framework for appraising property for ad valorem taxation in taxing units located in more than one county, an appraisal district is still responsible for litigation filed against it prior to January 1, 2008, and involving property that is no longer in its appraisal district; the general savings clause continues in effect relevant portions of Tex. Tax Code Ann. § 6.02, such that a taxing district has continuing authority to defend itself in the pending litigation, and a taxing unit has a continuing obligation to pay the related costs. 2008 Tex. Op. Att'y Gen. GA-0590, 2008 Tex. AG LEXIS 2.

Sec. 6.025. Overlapping Appraisal Districts; Joint Procedures [Repealed].

Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(3), effective January 1, 2008.

HISTORY: Enacted by Acts 1995, 74th Leg., ch. 186 (H.B. 623), § 1, effective January 1, 1996; am. Acts 1997, 75th Leg., ch. 1357 (H.B. 670), § 1, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 250 (H.B. 1037), § 1, 2, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 455 (H.B. 703), § 1, effective January 1, 2004; am. Acts 2003, 78th Leg., ch. 1041 (H.B. 1082), § 1, effective January 1, 2004.

ATTORNEY GENERAL OPINIONS

Overlapping Districts.

With respect to property lying in overlapping appraisal districts, section 6.025(d) of the Tax Code requires the chief appraiser of each of the overlapping districts to enter in the

appraisal records the lowest values, appraised and market, listed by any of the overlapping districts. 2004 Tex. Op. Att'y Gen. GA-0283.

Sec. 6.03. Board of Directors.

(a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Members of the board of directors other than a county assessor-collector serving as a nonvoting director serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

(1) to the county judge and each commissioner of the county served by the appraisal district;

(2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager;

(3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and

(4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

(f) The chief appraiser shall calculate the number of votes to which each conservation and reclamation district entitled to vote for district directors is entitled and shall deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-numbered year.

(g) Each taxing unit other than a conservation and reclamation district that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the chief appraiser before October 15.

(h) Each conservation and reclamation district entitled to vote may nominate by resolution adopted by its governing body one candidate for the district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year. Before August 1, the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district. The board of directors of each district shall determine its vote by resolution and submit it to the chief appraiser before August 15. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(i) If no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h), the chief appraiser, before September 1, shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. Each conservation and reclamation district may submit a nominee by September 15 to the chief appraiser as provided by Subsection (h). The chief appraiser shall submit a second nominating ballot by October 1 to the conservation and reclamation districts as provided by Subsection (h). The conservation and reclamation districts shall submit their votes for nomination before October 15 as provided by Subsection (h). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(j) Before October 30, the chief appraiser shall prepare a ballot, listing the candidates whose names were timely submitted under Subsections (g) and, if applicable, (h) or (i) alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) The governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) [Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008.]

HISTORY: Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 15, 167(a), effective January 1, 1982; am. Acts 1987, 70th Leg., ch. 59 (S.B. 469), § 1, effective September 1, 1987; am. Acts 1987, 70th Leg., ch. 270 (H.B. 268), § 1, effective August 31, 1987; am. Acts 1989, 71st Leg., ch. 1123 (H.B. 2301), § 2, effective January 1, 1990; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 15, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 371 (H.B. 864), § 1, effective

OUTLINE OF REQUIRED DATES

1. *Before June 1* of each odd-numbered year, at least one conservation and reclamation district in the CAD must deliver to the chief appraiser a written request to nominate and vote on the board of directors
2. *Before June 15*, the chief appraiser on receipt of a request shall certify a list of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district
3. *Before July 1* of each odd-numbered year, the chief appraiser must deliver a written notice to the conservation and reclamation districts of its voting entitlement and right to nominate one candidate for director.
4. *Before July 15* of each odd-numbered year, each conservation and reclamation district entitled to vote may nominate **by resolution** adopted by its governing body one candidate for the district's board of directors and shall submit the name of the district's nominee to the chief appraiser.
5. *Before August 1* the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district.
6. *Before August 15* the board of directors of each district shall determine its vote **by resolution** and submit it to the chief appraiser. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district *if* the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.
7. *Before September 1* the chief appraiser shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee *if* no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h).
8. *By September 15* each conservation and reclamation district may nominate **by resolution** adopted by its governing body, one candidate for the district's board of directors to the chief appraiser. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser (as provided by Subsection (h)).
9. *Before October 1* of an odd-numbered year, the chief appraiser shall prepare and deliver to the presiding officer of the board of directors of each conservation and reclamation district, a second nominating ballot, listing all the nominees of the conservation and reclamation districts alphabetically by surname (as provide by Subsection (h)).

**OUTLINE
OF
REQUIRED DATES
(Continued)**

10. *Before October 15* the conservation and reclamation districts shall determine its vote for nominees **by resolution** and submit it to the chief appraiser (as provided by Subsection (h)). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing unities. The chief appraiser shall resolve a tie vote by any method of chance.
11. *Before October 30* the chief appraiser must prepare a ballot listing all nominees alphabetically by each candidate's last name. The chief appraiser must deliver a copy of this ballot to the presiding officer of the governing body of each voting unit.
12. *Before December 15* the governing body of each taxing unit entitled to vote may cast votes for one candidate or may distribute the votes among a number of candidates on the ballot and shall determine its vote **by resolution** and submit it to the chief appraiser.
13. *Before December 31* the chief appraiser must count the votes and declare the candidates who received the largest vote totals elected and submit the results to the governing body of each taxing unit in the district and to the candidates.

ATTACHMENT 15

Resolution 21-14

SOUTH TEXAS WATER AUTHORITY

Resolution 21-14

RESOLUTION SUBMITTING NOMINATION FOR CANDIDATE FOR POSITIONS
ON THE BOARD OF DIRECTORS OF THE KLEBERG COUNTY APPRAISAL
DISTRICT.

WHEREAS, the South Texas Water Authority, as a water conservation and reclamation district, is authorized to make nominations for the Kleberg County Appraisal District Board of Directors, and

WHEREAS, the Appraisal District has requested that each taxing unit which is a water conservation and reclamation district submit the name of its nominee to the chief appraiser before July 15, 2021.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority nominates _____ to serve on the Board of Directors of the Kleberg County Appraisal District.

Duly adopted this 22nd day of June, 2021.

BRANDON BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 16

Cybersecurity

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 15, 2021
Re: Cybersecurity – IT Protection

Background:

This item has been placed on the agenda per the enclosed email from Board President Brandon Barrera requesting “What are we doing to mitigate ourselves against ransomware attack?” be placed on an STWA agenda.

Analysis:

The item was placed on the agenda per Mr. Barrera’s request. Staff’s response outlined the general protections in place without revealing security details.

Staff Recommendation:

If the Board believes additional protections should be in place, authorize staff to request a proposal from High Touch Technologies.

Board Action:

Determine whether staff should request a proposal for additional cybersecurity.

Summarization:

IT protection classes typically caution that security threats are typically invited in by way of individual users failing to practice basic safe practices such as opening a suspicious email or attachment, clicking on unknown websites and responding to phishing.

> On Jun 9, 2021, at 11:07 PM, Brandon STWA <bbarrera@stwa.org> wrote:>
> I'd like to add something to the the next agenda. "What are we doing to mitigate ourselves against a ransomware attack?"
> Unfortunately we are living in era now where this is a legitimate concern.
>
> Thanks,>
> Brandon Barrera
> STWA President

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

From: Carola Serrato <mcserrato@stwa.org> Sent:
Wednesday, June 9, 2021 11:19 PM
To: Brandon STWA <bbarrera@stwa.org>
Subject: Re: Next agenda

We have protections that I can outline tomorrow. CGS
Sent from my iPhone

From: mcserrato@stwa.org
To: "Brandon STWA"; [Frances Rosales - De Leon](#)
Cc: [Frances Rosales](#)
Subject: Cybersecurity - STWA
Date: Thursday, June 10, 2021 9:25:00 AM

Mr. Barrera,

Below is a quick outline of the information. I'm certain Frances can provide a much more technical explanation. Please feel free to call if you want us to discuss details. Frances can join me in my office and I can place you on speakerphone.

I'm trying to recall whether you were on the Board when STWA entered into an IT service contract with High Touch. I think this was before your appointment. Through High Touch, STWA has email protections with a software program called Barracuda. High Touch provides a scanning system of information being stored on our servers.

In addition, STWA's network is set-up with automatic daily back-ups. So, work that is done by any employee can be retrieved from the previous day after wiping out the virus, etc.

Quite a bit of information is also stored in the Cloud in terms of RWSC and NWSC billing system through Logics, now known as Edmunds.

The PLC for RWSC's SCADA system is only accessible by outside support/consultants by one of our employees granting permission. The same applies for STWA's SCADA system. If those systems were breached, manual operation of the systems are still possible.

There is a firewall in place prior to STWA's network connection to protect the servers. This firewall includes anti-virus, spyware protection and intrusion prevention and is updated as needed.

Finally, we have all "attended" the require cyber-security class.

Please let me know if you have any questions. This item can be placed on the June 22nd agenda.

Carola

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

ATTACHMENT 17

Insurance for STWA Board of Directors

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 17, 2021
Re: Discussion with possible action on adding board members to STWA insurance

Background:

This item has been placed on the agenda per the enclosed email from Board President Brandon Barrera.

Analysis:

Staff has contacted legal counsel and STWA's insurance agent of record to inquire on the subject. On Tuesday, June 15, 2021, legal counsel indicated a written response would be provided. See enclosed emails.

Staff Recommendation:

Regardless of whether this type of expenditure is allowable, I cannot recommend providing medical insurance coverage for Board Members.

Board Action:

Determine whether to pursue any type of insurance coverage for Board Members.

Summarization:

Regardless of whether it is allowable under Texas laws, in my opinion, the Board should be asking whether it is *appropriate* to consider this type of expenditure.

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Thursday, June 17, 2021 3:25 PM
To: Carola Serrato (mcserrato@stwa.org)
Cc: Matthew McPhail; Allison Nix
Subject: STWA

Carola:

We have researched the question of whether Directors of STWA can be added to the Authority's health insurance plan.

We have found no statutory authority that would permit adding Directors to the Authority's health insurance plan. The Texas Insurance Code does contain such authority with regard to paid state officers and directors and paid officers of state agencies but those provisions do not apply to the Authority.

In our opinion, the payment of insurance premiums by the Authority for Directors would be an impermissible use of public funds and we recommend against it.

Please let me know if any questions remain or if any additional information is needed. Thank you.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: Carola Serrato <mcserrato@stwa.org>
Sent: Tuesday, June 15, 2021 4:45 AM
To: Brandon Barrera
Subject: Fwd: Draft Agenda STWA June 22, 2021

Mr. Barrera,

Please see below. I have contacted Mr. Flickinger regarding the possibility of providing this type of coverage for Board Members.

I believe we would also need to check with our agent of record, who will check with the insurance company. Renewal is on November 1st. I don't think that they would allow additional persons to the plan mid-year unless they are actual employees. But, it's possible they would. Adding persons at renewal may require filling out health and pharmacy application forms.

In addition, I would like to have a meeting with you regarding what you mentioned during last night's Board meeting, namely an interim ED.

Carola

Sent from my iPhone

Begin forwarded message:

From: Carola Serrato <mcserrato@stwa.org>
Date: June 14, 2021 at 8:21:36 PM CDT
To: Bill Flickinger <bflickinger@wfaustin.com>
Subject: Fwd: Draft Agenda STWA June 22, 2021

Bill,

Please see below. Is there any reason that would prevent STWA from providing this to Board members? If not, what about dependents?

Carola

Sent from my iPhone

Begin forwarded message:

From: Brandon STWA <bbarrera@stwa.org>
Date: June 14, 2021 at 7:47:07 PM CDT
To: mcserrato@stwa.org
Cc: Frances Rosales <fvrosales@stwa.org>
Subject: Re: Draft Agenda STWA June 22, 2021

I'd like to add the following item to the agenda:

"Discussion with possible action on adding board members to STWA insurance"

Sent from my iPhone

On Jun 14, 2021, at 2:25 PM, mcgserrato@stwa.org wrote:

Mr. Barrera,

I just spoke with Mr. Flickinger about a response to the City of CC and the wholesale contract. He has my comments and questions; however, he believes he will not be able to put together counter offer language by next week's Board meeting.

I suggest removing the item from the agenda.

Carola

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

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Monday, June 14, 2021 9:41 AM
To: Brandon Barrera (bbarrera@stwa.org) <bbarrera@stwa.org>
Cc: Frances Rosales <fvrosales@stwa.org>
Subject: Draft Agenda STWA June 22, 2021

Mr. Barrera,

Attached is the draft agenda for next Tuesday's meeting. Please let me know if you would like any changes.

Carola

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

<Draft STWA Agenda June 22 2021.pdf>



Brandon >

Frances has filed the TCEQ District Registration form every time the officers have changed. For KCAD, STWA has 130 votes. The other groundwater district in Kenedy County has 5. The voting is done almost at wend of the year.

Thank you

You're welcome.

In addition to heath insurance on item lets also add life, dental, and vision. Discuss and act upon

The agenda item is very broad and is written as "adding board members to STWA insurance." STWA doesn't pay for Vision. Life insurance is based on salary.

It's fine as written then. Idea is to mirror employees & add a further level of prestige to the board. Thank you for the prompt response.



Text Message

ATTACHMENT 18

Annexation Petition – Carpenter

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: June 18, 2021
Re: Annexation Petition – Set Time and Date for Public Hearing:
Resolution 21-15 – Jeremy and Chavalan Carpenter – Tracts 31, Tierra Verde 2, Nueces County,
Texas

Background:

As the Board is aware, properties that are not within South Texas Water Authority's district boundaries but requesting retail water service from the NWSC are required to be annexed into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically a retail water bill from NWSC and property taxes to STWA. Jeremy and Chavalan Carpenter contacted our office to request service in the Tierra Verde 2 subdivision and filed an annexation petition. Resolution 21-15 sets the date and time for the required public hearing. The public hearing will be scheduled immediately prior to the next regular STWA Board meeting.

Analysis:

Adoption of Resolution 21-15 begins the annexation process and enables the NWSC to provide retail service to Mr. and Mrs. Carpenter.

Staff Recommendation:

Adopt Resolution 21-15.

Board Action:

Determine whether to adopt Resolution 21-15.

Summarization:

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

ATTACHMENT 19

Resolution 21-15

SOUTH TEXAS WATER AUTHORITY

Resolution 21-15

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

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

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

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on August 3, 2021 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on August 3, 2021 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 22nd day of June, 2021.

BRANDON BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

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 16 day of June, 2021.

[Handwritten signature]

Jeremy Carpenter

[Handwritten signature]

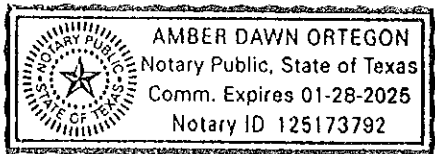
Chavalan Carpenter

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

Subscribed and sworn to before me Jeremy Carpenter on this the 16th day of June, 2021.



[Handwritten signature]
Notary Public

My Commission Expires: 01/28/25

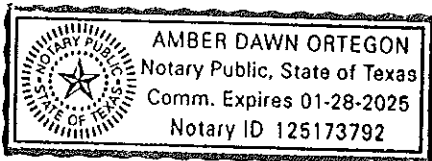
NOTARY SEAL

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

Subscribed and sworn to before me Chavalan Carpenter on this the 16th day of June, 2021.



[Handwritten signature]
Notary Public

My Commission Expires: 01/28/25

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

Tract Thirty-one (31) TIERRA VERDE UNIT II, an addition in Nueces County, Texas, according to map or plat thereof recorded in Volume 50, Page 92 of Map Records of Nueces County, Texas.

NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS
SOUTH TEXAS WATER AUTHORITY

Pursuant to a Resolution adopted by the Board of Directors of South Texas Water Authority, a hearing shall be held at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas, on August 3, 2021 at 5:30 p.m. with respect to the Petition filed by Jeremy Carpenter and Chavalan Carpenter for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 22nd day of June, 2021.

Brandon W. Barrera, President
Board of Directors
South Texas Water Authority

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

Tract Thirty-one (31) TIERRA VERDE UNIT II, an addition in Nueces County, Texas, according to map or plat thereof recorded in Volume 5, Page 92 of Map Records of Nueces County, Texas.

FOR YOUR INFORMATION

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

MEMORANDUM

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

From: Thomas L. Brocato *TLS*

Date: June 17, 2021

Re: Final Legislative Update

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

87TH LEGISLATIVE SESSION: AN OVERVIEW

Lawmakers during the 87th Regular Session considered approximately 400 bills relating to energy and utility issues, and adopted more than a dozen of particular significance. Among those that won passage were bills that included reform provisions intended to address grid and market failures that occurred during Winter Storm Uri in February. The storm left four million Texans without power and led to more than 200 fatalities.

Among other things, the new legislation will transform the Texas Public Utility Commission (PUC) from a three-member panel to one with five members; change the size and selection process for the Electric Reliability Council of Texas (ERCOT) board; require electricity generating facilities and some natural gas facilities to weatherize; ban certain retail electric deals; and allow for a bond financing mechanism known as "securitization" for the recovery of financial losses arising from the winter storm.

Our legislative team successfully advocated for various changes in law, including one change that will provide financial assistance to defray some excess ancillary services costs arising from Winter Storm Uri. Another success was the addition of an amendment to a securitization bill that will increase city review of that process at the Texas Railroad Commission (RRC). The team also joined others in successfully opposing proposed market changes deemed contrary to municipal and ratepayer interests. These included the rejection of a multi-billion dollar proposal by Berkshire Hathaway to create new backup generation plants, and the rejection of proposals to create a capacity market.

The Legislature also considered—and ultimately rejected—several important non-utility related bills of interest to city governments. These included bills that would have barred Capitol lobbying by city representatives.

WHAT PASSED IN THE TEXAS LEGISLATURE

What follows is a quick synopsis of major bills of significance that passed and their intended effects.

OMNIBUS BILLS

- **Senate Bill 2**, by Sen. Hancock, reduces the number of ERCOT board members from 16 to 11. A selection committee, with the assistance of an outside consulting firm, would appoint eight of the 11 board members. The selection committee would be made up of three people: one appointed by the governor, one by the lieutenant governor, and one by the speaker of the House. SB 2 also requires all board members to reside in Texas. Nine of the 11 ERCOT board members under SB 2 would be voting members. Gov. Greg Abbott signed SB 2 into law on June 8.
- **Senate Bill 3**, by Sen. Schwertner, requires electric power generators to comply with emergency preparedness standards determined by the PUC. Natural gas facilities deemed as critical must take similar steps. A newly-formed Electricity Supply Chain Mapping Committee will identify those facilities, with its initial mapping of the state's supply chain and critical infrastructure due for completion by January 2022. SB 3 tasks the RRC with determining the weather preparedness standards for qualifying gas facilities. Electric and gas facilities in violation of weatherization requirements could face penalties of up to \$1 million per day.

In addition, SB 3 requires regulators to create an emergency alert system, similar to an Amber Alert, for power outages and inclement weather. SB 3 tasks various state regulators and electric utilities with determining how rolling blackouts should occur during a future energy emergency. SB 3 also limits to 12 hours the amount of time that the price of wholesale power can be set at the maximum level of \$9,000 per megawatt-hour. (More typically, wholesale power sells for less than \$50 per megawatt-hour.)

Both the House and Senate voted separately to remove language from the original version of SB 3 that would have required renewable energy generators to guarantee their output or pay for an alternative source of power to guarantee against their intermittency.

Gov. Abbott signed SB 3 into law on June 8, and it took effect immediately.

SECURITIZATION BILLS

The legislature adopted a number of bills that address excess market costs that had accrued in February 2021 during Winter Storm Uri. These include bills that employ securitization to spread out such costs over time, typically decades.

- **House Bill 4492**, by Rep. Paddie, authorizes the Texas Comptroller's office to dip into the state's rainy day fund and issue an \$800 million loan to ERCOT to cover debts owed to it. Importantly, the final adopted version of HB 4492 also includes language to defray ancillary services costs incurred during the storm charged in excess of the system-wide offer cap of \$9,000 per megawatt-hour. As noted above, ERCOT raised prices to the maximum \$9,000 per megawatt-hour during the storm. Ancillary services costs, however, went even higher. The inclusion of this language was a top priority of the lobby team and should benefit municipal-level electricity consumers. HB 4492 was signed by Gov. Abbott on June 16.
- **House Bill 1520**, by Rep. Paddie, allows for the securitization of excess gas fuel charges related to Winter Storm Uri. Under the original filed version of the bill, the RRC had 90 days to consider securitization proposals. However, the final version of the bill includes an amendment proposed by ACSC to increase the review period to 150 days. This extended examination period is consistent with similar to rules in other jurisdictions, including at the PUC. This legislation was signed by Gov. Abbott on June 15.
- **House Bill 1510** includes securitization provisions for weatherization and storm hardening for electric utilities located outside the ERCOT service area. HB 1510 also creates the Texas Electric Utility System Restoration Corporation to further the securitization bond financing process. Gov. Abbott signed HB 1510 into law on June 1.
- **Senate Bill 1580**, by Sen. Hancock, is a securitization bill for electric cooperatives. The Senate concurred with House amendments on May 28, and the bill went to Gov. Abbott for his signature on June 1.

OTHER BILLS

- **House Bill 2586**, by Rep. Thierry, requires a regular audit of ERCOT by the PUC. Previously, the PUC had discretion as to whether to conduct an audit. Gov. Abbott signed HB 2586 into law on May 24.
- **House Bill 2483**, by Rep. Phil King, allows utilities to lease and operate generators for emergency reliability purposes. HB 2483 went to Gov. Abbott on June 1.
- **House Bill 16**, by Rep. Hernandez, bars retail electric providers from offering wholesale indexed plans to residential ratepayers. Some consumers faced bills for thousands of dollars because they received service through wholesale indexed price contracts during Winter Storm Uri. Gov. Abbott signed the bill into law on May 26.
- **Senate Bill 2154**, by Sen. Schwertner, expands the PUC from a three-member panel to one with five members. SB 2154 also requires PUC commissioners to reside within Texas, and requires that three (but not all) members be familiar with electric utilities. An amendment supported by TCAP and OCSC called specifically for consumer representation among the commissioners. The amendment made it onto the House version of the bill, but not on the final version as it emerged from the House-Senate conference committee. The legislation went to Gov. Abbott for his signature on June 1.

- **Senate Bill 1281** exempts electric utilities from having to amend their certificates of public convenience and necessity for certain short transmission projects. It also requires consideration of a broader range of load forecasts and potential renewable generation scenarios, and expands cost comparison tests to include potential consumer impacts. It requires ERCOT to conduct an annual assessment of the ERCOT grid to assess its reliability in extreme weather scenarios. The bill went to Gov. Abbott for his signature on June 1.
- **Senate Bill 1202** facilitates the promulgation of electric vehicle charging stations in Texas by clarifying that a business that owns such a charging station is not subject to various separate regulatory provisions that govern electric providers or that govern transmission and distribution utilities (TDUs). Gov. Abbott signed the legislation into law on June 7.
- **Senate Bill 760** establishes requirements for solar power facility agreements, including provisions related to financial requirements for solar power facility decommissioning costs. The bill went to Gov. Abbott on May 29 and awaits his signature.
- **Senate Bill 415** stipulates that a transmission and distribution utility, with prior PUC approval, may contract with a power generation company to provide electricity from an electric energy storage facility for the provision of electricity to distribution customers. Further, SB 415 stipulates that a TDU may not own a storage facility, and likewise stipulates that a TDU may enter into a contract for energy storage only if the use of energy storage is more cost-effective than the construction or modification of traditional distribution facilities. The bill went to Gov. Abbott for his signature on June 1.

WHAT DIDN'T PASS

As noted above, lawmakers filed approximately 400 bills that related in some way to energy or utility issues. The vast majority of these bills failed even to emerge from legislative committee and therefore died very early in the process. For the sake of brevity, we have not enumerated those bills here. Instead, listed below are three high-profile issues considered during the 87th Legislative Session. Each became the subject of separate bills, and each of those bills ultimately failed to win passage.

- **Berkshire Hathaway Plan:** Texas lawmakers in April began consideration of legislation promoted by Berkshire Hathaway Energy—that is, billionaire investor Warren Buffett's company—to build ten new natural gas plants for reliability purposes. Berkshire Hathaway executives first floated their multi-billion dollar plan during private meetings with lawmakers in March, promoting it as an outside-the-box response to the February electricity crisis. In mid-April, State Rep. Eddie Lucio III added the Berkshire Hathaway proposal to his previously filed House Bill 3749, and the House Committee on State Affairs took up the revised bill during a public hearing on April 20. However, the legislation died without ever having proceeded to the House floor.
- **Repricing:** In early March, the Independent Market Monitor for the ERCOT market called upon the PUC to reprice some of the administratively set wholesale energy prices paid by market participants during Winter Storm Uri. When the PUC's then-Chairman D'Andrea

refused to order the repricing—he argued that such repricing would be illegal and likely harm various entities that had done a good job hedging during the winter event—the Texas Senate stepped in with the passage of Senate Bill 2142 that would mandate the repricing. However, SB 2142 failed to make any progress in the House, and it died there in committee.

- **Civic Lobbying:** After falling short during the 2019 legislative session, the state’s leadership again pressed during 2021 to pass legislation to ban lobbying at the state Capitol by representatives of municipalities and other local subdivisions. Legislation toward that end—Senate Bill 10 by Sen. Paul Bettencourt—enjoyed Lt. Gov. Patrick’s strong support and quickly made it through the Senate before stalling in the House and dying there during the session’s final days. Sen. Bettencourt blamed obstruction by House Speaker Phelan and House State Affairs Committee Chair Chris Paddie for the demise of the measure, which had been identified as a top priority. However, it was also clear that the bill lacked sufficient support to win outright passage on the House floor. Rep. Paddie had attempted to negotiate a compromise on the bill with its House sponsor, Rep. Mayes Middleton of Wallisville, but those negotiations ultimately led nowhere.

LOOKING AHEAD

Lt. Gov. Patrick responded to the failure of SB 10 and the failure of two other bills identified as top GOP priorities by urging Gov. Abbott to call a special session. Publicly the Governor has demurred, stating during the session’s final days that lawmakers instead should “work together to get important conservative legislation to my desk.” Nevertheless, it is expected that a special session starting the first or second week of July will be called. At this time, we do not expect the session to include utility issues. However, this could change at any time. Additionally, it is anticipated that lawmakers will return to Austin for a special session during the fall to redraw the state’s political maps as part of the once-per-decade redistricting process.