

MEMORANDUM

TO: South Texas Water Authority Board of Directors  
FROM: Kathleen Lowman, President  
DATE: June 17, 2019  
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 25, 2019**  
5:30 p.m.  
South Texas Water Authority  
2302 East Sage Road  
Kingsville, Texas

This meeting notice was posted on STWA's website, [www.stwa.org](http://www.stwa.org), and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 2:30 pm on June 21, 2019.  
*Frances De Leon*  
Assistant Secretary

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. Nemecio Salgado and Delia Rodriguez – Tract One-H (1-H), The Ranch in Nueces County, Texas
  - b. Oscar B. Gonzalez and Jacqueline Gonzalez – Tract 7-H, The Ranch in Nueces County, Texas
3. Public Comment
4. Adjournment.

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

KL/CGS/fdl

MEMORANDUM

TO: South Texas Water Authority Board of Directors  
FROM: Kathleen Lowman, President  
DATE: June 17, 2019  
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

**Tuesday, June 25, 2019**  
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 2020 Budget. (Attachment 4)
7. License Agreement with City of Bishop for Pump Station Facilities. (Attachment 5)
8. Water Supply Contract with the City of Driscoll. (Attachment 6)
9. **Resolution 19-36.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Nemecio Salgado and Delia Rodriguez – Tract One-H (1-H), The Ranch in Nueces County, Texas). (Attachment 7)

10. **Resolution 19-37.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Oscar B. Gonzalez and Jacqueline Gonzalez – Tract 7-H, The Ranch in Nueces County, Texas). (Attachment 8)
11. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Stephanie Lynn Ramirez – Tract 9-H, The Ranch in Nueces County, Texas). (Attachment 9)
12. **Resolution 19-38.** 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. (Stephanie Lynn Ramirez) (Attachment 10)
13. NewGen Strategies and Solutions Consultant Services Associated with the City of Corpus Christi Annual Rate True Up. (Attachment 11)
14. Adjournment.

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

KL/CGS/fdl  
Attachment

This meeting notice was posted on  
STWA's website, [www.stwa.org](http://www.stwa.org), and on  
indoor and outdoor bulletin boards at  
STWA's administrative offices,  
2302 East Sage Road, Kingsville, Texas at  
2:30 am/pm on June 21, 2019.  
*Francisco De Leon*  
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY  
Public Hearing  
May 28, 2019  
Minutes

Board Members Present:

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

Board Members Absent:

Patsy Rodgers  
Steven Vaughn

Staff Present:

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

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Public Hearing of the STWA Board of Directors to order at 5:32 p.m.

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

- a. Lino Moreno, Jr. and Rebecca Moreno – Tract Thirteen (13), Cyndie Park Unit 2, Nueces County, Texas
- b. Ruben Jimenez and Rosemary R. Jimenez – Tracts 36, 37, and ½ of 35, Cyndie Park Unit 2, Nueces County, Texas

Ms. Serrato stated that these property owners approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of a project to extend water service to the Cyndie Park area. Resolutions approving annexation will be presented at the Regular Board Meeting. Approval of the annexation petitions enables the landowners to receive service and pay in-district rates to the Nueces Water Supply Corporation, and allows the properties to become taxable.

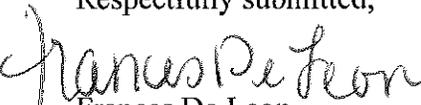
3. Public Comment.

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

4. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the Public Hearing at 5:33 p.m.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
May 28, 2019  
Minutes

Board Members Present:

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

Board Members Absent:

Patsy Rodgers  
Steven Vaughn

Staff Present:

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

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:35 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the April 23, 2019 Public Hearing and Regular Meeting as presented. Mr. Barrera seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report for period ending April 30, 2019  
Revenue Fund Income Statement for period ending April 30, 2019  
Tax Fund Income Statement for period ending April 30, 2019  
Special Services Income Statement for period ending April 30, 2019  
STWA Revenue Fund Balance Sheet – April 30, 2019  
STWA Revenue Fund GL Account Summary Report as of April 30, 2019  
STWA Debt Service Fund Income Statement for period ending April 30, 2019  
STWA Debt Service Fund Balance Sheet April 30, 2019  
STWA Debt Service Fund GL Account Summary Report as of April 30, 2019

STWA Capital Projects Fund Income Statement for period ending April 30, 2019  
Cathodic Protection Expenses Breakdown through March 2019  
STWA Capital Projects Fund Balance Sheet – April 30, 2019  
STWA Capital Projects Fund GL Account Summary Report as of April 30, 2019  
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:

• Corpro – 500 anodes	\$ 42,625.00
• Gross Solutions	\$ 1,996.00
• Hilltop Securities	\$ 2,500.00
• Willatt & Flickinger, Attorneys at Law	\$ 240.00
• City of Corpus Christi	\$ 103,119.45
• Ramiro Canales – NC Appraisal District	\$ 1,953.00

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

5. Resolution 19-28. Resolution appointing Carola G. Serrato, Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority.
6. Resolution 19-29. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.
7. Resolution 19-30. Resolution appointing Melissa T. De La Garza, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.
8. Resolution 19-31. 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.

Ms. Serrato introduced Resolutions 19-28, 19-29, 19-30 and 19-31 as housekeeping items for the tax year. Mr. Treviño made a motion to adopt Resolutions 19-28, 19-29, 19-30 and 19-31. The motion was seconded by Mr. Galvan and passed unanimously.

9. Property Tax Matters.
  - Preliminary Nueces and Kleberg County Appraisal District Values
  - Letter from Kevin Kieschnick, Nueces County Tax Collector
  - 3.5% tax rate cap
  - Oil/gas value
  - Windmills value

Ms. Serrato presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect a \$150,000,000 increase compared to last year's certified

values. She added that this increase multiplied by the current Maintenance and Operations tax rate results in approximately \$102,850 in additional revenue. She noted that these values are preliminary and are being provided for informational purposes.

She also reported that as a means of lowering property taxes, the State Legislature has passed a bill setting a 3.5% tax rate cap. The bill is awaiting the Governor Abbot's signature and is expected to pass. This would affect municipalities, counties and other taxing entities such as STWA.

Ms. Serrato updated the Board on the matter pertaining to the expected refund from Nueces County Tax Collection Office for additional new parcel accounts added to the tax rolls. She stated that a letter was received from the tax office explaining that the Authority will not be billed any additional fees for the 2018 tax year. No refund will be issued but the check for the per parcel collection fee payment made in March 2019 was returned uncashed.

Ms. Serrato also reported that a higher oil/gas industrial value is expected on STWA's tax rolls as a result of a substantial construction project south of Banquete that is now complete and should begin operations soon. In addition, there should be added value as a result of windmill construction on the east side of STWA's district.

No action was taken on the presented information.

10. Nueces County Project bids for Banquete Pump Station Improvements.

Ms. Serrato distributed copies of email correspondence with Jay Juarez of McCall, Parkhurst & Horton regarding questions about the use of remaining bond funds on the Banquete Pump Station improvements. In his response, Mr. Juarez stated that as long as the project costs are under 5% of the par amount of bonds issued, then STWA can utilize the remaining proceeds for the project. He also advised that STWA enter into an agreement with Nueces Water Supply Corporation that states the project will be operated for the benefit of, and made available to, STWA for the useful life of the project. Ms. Serrato stated that the total bond issue was \$5,200,000 so the maximum amount that can be used on the Banquete Pump Station improvement project is \$260,000. She added that her preference is to use the \$100,000 that has been budgeted for the equipment shed on the Banquete project instead. She also reported that the bids on the Banquete project were rejected and Nueces County will be going out for bids again. She and O&M Supervisor Jacob Hinojosa met with LNV to review the project specifications in order to reduce the cost. She reviewed a chart of items resulting from the meeting which included approaching NWSC about contributing \$105,000 collected in developer fees. Ms. Serrato estimated that the original \$668,000 fund shortage on the project could be reduced to about \$200,000. She stated that she feels that this project needs to move forward and should start with installation of the two hydro pneumatic tanks and demolition of the elevated storage tank. The consensus of the Board was to spend the \$100,000 on this project rather than the equipment shed. Ms. Serrato said she would provide LNV with an update on the Board's discussion. No further action was taken.

11. Bids for construction of an equipment barn.

As a result of discussion on the Banquete Pump Station Improvements, the budgeted funds will be used towards the Banquete project.

12. Resolution 19-07. Resolution awarding the bid for construction of an equipment barn.

No action was taken on Resolution 19-07.

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

Ms. Serrato distributed copies of an Agreement for Professional Services from Walker Partners in the amount of \$17,200 for engineering services on the disinfection booster station at the Kingsville Pump Station for the Ricardo Water Supply Corporation's 12-inch waterline. She reviewed the agreement's scope of services and said that she anticipates the work will take about four months. Mr. Galvan made a motion to accept the proposal from Walker Partners in the amount of \$17,200. Mr. Treviño seconded. All voted in favor.

14. Driscoll Ground Storage Tank Rehabilitation.

Ms. Serrato stated that as discussed at the last Board meeting, she requested additional information on a hanging liner and received a quote of \$45,000. She noted that NG provided a quote of \$45,000 to \$50,000 for a spray on liner. She pointed out that field personnel have reservations about a hanging liner and prefer a spray on liner which will also address issues on the ceiling of the tank that the hanging liner will not. Mr. Treviño made a motion to move forward with a spray on liner. Mr. Galvan seconded. All voted in favor.

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

Ms. Serrato stated that this item would most likely not be placed on the agenda again until Tom Ginter, the City's Planning & Development Services Director, provides a draft agreement. She explained that the TIRZ will allow the incremental taxes to be collected into a special fund. An appointed TIRZ board will make recommendations on use of the funds but ultimately the City will decide how the funds are used. Ms. Serrato stated that the Kleberg County Commissioners have discussed the TIRZ and had questions about the responsibility the entities would face if bonds were issued to accomplish projects but there was no incremental growth in the TIRZ. She has discussed this matter with Bill Flickinger, Willatt & Flickinger, who indicated that an interlocal agreement would need to specify each entity's responsibility. Mr. Barrera made a motion not to participate in the TIRZ and Mr. Treviño seconded. All voted in favor. Mr. Barrera noted that the City could always approach STWA again at a later time.

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

Ms. Serrato stated that she had nothing to report but she will attend the Bishop City Council meeting tomorrow.

17. **Resolution 19-32. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Lino Moreno, Jr. and Rebecca Moreno – Tract Thirteen (13), Cyndie Park Unit 2, Nueces County, Texas)**
18. **Resolution 19-33. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Ruben Jimenez and Rosemary R. Jimenez – Tracts 36, 37, and ½ of 35, Cyndie Park Unit 2, Nueces County, Texas)**

Ms. Serrato stated that approval of Resolutions 19-32 and 19-33 finalizes the annexation process of these properties and recommended adoption of the two resolutions. Mr. Galvan made a motion to adopt Resolutions 19-32 and 19-33. The motion was seconded by Mr. Treviño and passed unanimously.

19. **Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Nemecio Salgado and Delia Rodriguez – Tract One-H (1-H), The Ranch in Nueces County, Texas).**

Ms. Serrato stated that these property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of the ongoing project to extend water service to the Cyndie Park area. Requesting annexation is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 19-34 setting the Public Hearing on June 25, 2019 at 5:30 p.m. at the STWA conference room.

20. **Resolution 19-34. 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. (Nemecio Salgado and Delia Rodriguez)**

Mr. Treviño made a motion to adopt Resolution 19-34 setting the Public Hearing on June 25, 2019 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Mr. Barrera and passed unanimously.

21. **Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Oscar B. Gonzalez and Jacqueline Gonzalez – Tract 7-H, The Ranch in Nueces County, Texas).**

Ms. Serrato stated that these property owners are the most recent to approach the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of the ongoing project to extend water service to the Cyndie Park area. Ms. Serrato recommended approval of Resolution 19-35 setting the Public Hearing on June 25, 2019 at 5:30 p.m. at the STWA conference room.

22. Resolution 19-35. 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. (Oscar B. Gonzalez and Jacqueline Gonzalez)

Mr. Treviño made a motion to adopt Resolution 19-35 setting the Public Hearing on June 25, 2019 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Mr. Barrera and passed unanimously.

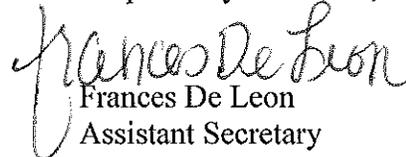
23. Report on Surplus Property Sale.

Ms. Serrato reported that bids on the surplus sale were opened on April 25, 2019 and totaled \$2,172.13. The item that did not receive bids, a non-working computer monitor, will be disposed of.

24. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:49 p.m.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

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

**STWA Water Sales:**

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.558340 per 1000 g</u>	<u>Handling Charge @ \$0.426386/1000g</u>	<u>Incremental Increase @ \$0.426386/1000g</u>	<u>Out of District Surcharge and Pass-Thru Credit</u>	<u>Total Due</u>
Kingsville	12,462	\$31,882.03	\$5,313.62	\$0.00	\$0.00	\$37,195.66
Bishop	279	\$713.78	\$118.96	\$118.96	\$0.00	\$951.70
Agua Dulce	2,542	\$6,502.17	\$1,083.69	\$0.00	\$0.00	\$7,585.86
RWSC	7,930	\$20,287.64	\$3,381.24	\$0.00	\$0.00	\$23,668.88
Driscoll	3,901	\$9,979.06	\$1,663.16	\$1,663.16	\$0.00	\$13,305.38
NCWCID #5	1,849	\$4,729.94	\$788.32	\$788.32	\$776.49	\$7,083.06
NWSC	15,949	\$40,804.17	\$6,800.63	\$0.00	\$0.00	\$47,604.80
<b>TOTAL</b>	<b>44,911</b>	<b>\$114,898.78</b>	<b>\$19,149.62</b>	<b>\$2,570.44</b>	<b>\$776.49</b>	<b>\$137,395.33</b>

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

	<b>04/30/19</b>	<b>to</b>	<b>05/31/19</b>
City of Corpus Christi Invoice for Cost of Water Purchased:			\$105,659.45
Gallons of Water Recorded by City of Corpus Christi:			41,300,000
Gallons of Water Recorded by STWA from Customer's Master Meters:			44,911,460
Water Loss Percentage:			-8.74%

**Annual Usage for FY 2019**

	<b>Annual</b>
Gallons of Water Recorded by City of Corpus Christi:	301,300,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	325,499,160
Water Loss Percentage: (year to date)	-8.03%

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

66.67%

	MONTHLY	YEAR TO DATE	2019 AMENDED BUDGET	% OF 2019 AMENDED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
<b>REVENUES</b>						
Water Service Revenue	114,899	818,521	1,366,000	60%	828,231	1,330,515
Handling Charge Revenue	19,150	139,810	221,255	63%	148,982	238,500
Premium Incremental Increase	2,570	22,325	32,000	70%	27,551	46,600
Surcharge - Out of District	608	4,866	7,299	67%	4,413	6,619
Interest Income	5,759	39,899	55,250	72%	18,458	33,000
Other Revenue						
Operating & Maintenance Fees	0	0	0	0%	0	0
Miscellaneous Revenues	978	8,177	12,000	68%	1,406	29,350
<b>TOTAL REVENUES</b>	<b>143,964</b>	<b>1,033,598</b>	<b>1,693,804</b>	<b>61%</b>	<b>1,029,041</b>	<b>1,684,584</b>
<b>EXPENDITURES</b>						
<b>Water Service Expenditures:</b>						
Bulk Water Purchases	105,659	752,530	1,366,000	55%	764,889	1,330,515
<b>Payroll Costs</b>						
Salaries & Wages - Perm. Employees	31,368	208,093	315,000	66%	200,268	317,342
Salaries & Wages - Part-Time	131	876	1,495	59%	1,002	1,375
Overtime - NWSC	0	(1)	0	0%	0	0
Stand-by Pay - NWSC	0	0	0	0%	0	0
Overtime - RWSC	0	1	0	0%	0	0
Stand-by Pay - RWSC	0	0	0	0%	0	0
Overtime - STWA	1,136	11,975	22,500	53%	12,477	19,300
Stand-by Pay - STWA	100	850	1,300	65%	850	1,300
Employee Retirement Premiums	2,928	34,064	54,500	63%	31,717	52,561
Group Insurance Premium	13,299	108,307	169,292	64%	103,147	162,178
Unemployment Compensation	0	24	300	8%	1,153	1,300
Workers' Compensation	(674)	4,841	5,500	88%	3,258	6,004
Car Allowance	500	4,000	6,000	67%	3,900	5,900
Hospital Insurance Tax	277	2,282	3,817	60%	2,249	3,728
<b>Supplies &amp; Materials</b>						
Repairs & Maintenance	4,276	54,255	80,000	68%	55,874	120,000
Meter Expense	0	2,350	5,000	47%	12,523	12,525
Tank Repairs	0	0	25,000	0%	26,140	26,140
Major Repairs	0	0	25,000	0%	0	25,000
<b>Other Operating Expenditures:</b>						
<b>Professional Fees</b>						
Legal	269	10,004	25,000	40%	6,148	11,500
Auditing	0	9,503	9,750	97%	9,369	9,370
Engineering	0	2,368	12,500	19%	58,901	70,000
Management & Consulting	0	3,585	7,500	48%	2,778	3,500
Inspection	0	1,900	4,000	48%	2,725	2,725
Leak Detection	0	0	0	0%	55,440	55,440
Banquete Overhead Tank Demolition	0	0	30,000	0%	0	0
<b>Consum Supplies/Materials</b>						
Postage	801	3,815	6,500	59%	3,585	6,500
Printing/Office Supplies	1,435	13,232	29,000	46%	17,145	26,500
Janitorial/Site Maintenance	37	2,162	6,000	36%	3,721	6,000
Fuel/Lubricants/Repairs	3,115	29,635	44,000	67%	18,311	35,000
Chemicals/Water Samples	264	25,010	52,500	48%	25,662	58,000
Safety Equipment	0	1,512	2,200	69%	157	1,500
Small Tools	16	1,359	2,000	68%	1,226	2,500

66.67%

	MONTHLY	YEAR TO DATE	2019 AMENDED BUDGET	% OF 2019 AMENDED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
<b>Recurring Operating Costs</b>						
Telephone/Communications	1,495	13,543	20,654	66%	11,842	23,500
Utilities	8,664	53,796	102,500	52%	57,036	97,600
D & O Liability Insurance	0	1,281	3,500	37%	-1,306	2,000
Property Insurance	0	47,292	47,292	100%	19,229	29,500
General Liability	0	3,196	3,200	100%	2,617	2,750
Auto Insurance	0	2,219	2,225	100%	2,050	2,051
Travel/Training/Meetings	298	4,200	10,000	42%	6,297	9,000
Rental-Equipment/Uniforms	108	2,626	5,000	53%	2,294	5,000
Dues/Subscriptions/Publication	654	12,397	22,500	55%	7,318	12,500
Pass Through Cost	0	1	400	0%	426	800
Educational Materials	0	0	0	0%	0	0
<b>Miscellaneous</b>						
Miscellaneous Expenditures	290	4,085	7,500	54%	3,566	6,200
<b>Total Administrative &amp; Operations Exp.</b>	<b>176,446</b>	<b>1,433,167</b>	<b>2,536,425</b>	<b>57%</b>	<b>1,538,596</b>	<b>2,564,604</b>
<b>Capital Outlay</b>						
Capital Acquisition	0	202,415	398,444	51%	88,759	88,760
Engineering	0	0	5,000	0%	0	11,625
<b>TOTAL EXPENDITURES (w/o D.S. exp.)</b>	<b>176,446</b>	<b>1,635,582</b>	<b>2,939,869</b>	<b>56%</b>	<b>1,627,355</b>	<b>2,664,989</b>
<b>Excess (Deficiencies) of Revenue Over Expenditures</b>	<b>(32,481)</b>	<b>(601,984)</b>	<b>(1,246,065)</b>	<b>48%</b>	<b>(598,314)</b>	<b>(980,405)</b>
<b>OTHER FINANCE SOURCE (USES)</b>						
<b>Transfer to Other Funds</b>						
Transfer from Tax Account	0	(1,170,110)	(1,238,343)	94%	(1,024,199)	(1,086,140)
<b>Extra Ordinary Income</b>						
Disposition of Assets (Surplus Sale)	(13,000)	(15,238)	(15,000)	102%	(4,432)	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(13,000)</b>	<b>(1,185,348)</b>	<b>(1,253,343)</b>	<b>95%</b>	<b>(1,028,631)</b>	<b>(1,086,140)</b>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)</b>						
	<b>(19,481)</b>	<b>583,364</b>	<b>7,278</b>		<b>430,317</b>	<b>105,735</b>
<b>NET INCOME</b>	<b>(19,481)</b>	<b>583,364</b>	<b>7,278</b>		<b>430,317</b>	<b>105,735</b>

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

**66.67%**

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
<b>REVENUES</b>						
Ad-Valorem - Current	13,456	1,262,940	1,257,158	100%	1,064,974	1,083,000
Delinquent Tax Revenue	2,278	22,420	27,500	82%	24,292	38,000
Penalty & Interest - Tax Accounts	2,215	16,039	16,000	100%	16,886	22,600
Miscellaneous	0	94	0	0%	0	0
<b>TOTAL TAXES &amp; INTEREST</b>	<b>17,949</b>	<b>1,301,492</b>	<b>1,300,658</b>	<b>100%</b>	<b>1,106,152</b>	<b>1,143,600</b>
<b>EXPENDITURES</b>						
Tax Collector Fees	-4,079	42,430	38,597	110%	35,426	36,575
Appraisal Districts	5,717	17,150	23,718	72%	15,252	20,885
<b>TOTAL EXPENDITURES</b>	<b>1,638</b>	<b>59,580</b>	<b>62,315</b>	<b>96%</b>	<b>50,678</b>	<b>57,460</b>
Transfer to General Fund	0	1,170,110	1,238,343	94%	1,024,199	1,086,140
<b>EXCESS REVENUES &amp; OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	<b>16,312</b>	<b>71,803</b>	<b>0</b>		<b>31,275</b>	<b>0</b>

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

**66.67%**

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
<b>REVENUES</b>						
Ricardo Water Supply Corporation	21,083	179,956	302,824	59%	163,526	283,605
Nueces Water Supply Corporation	24,572	183,283	285,529	64%	181,699	266,294
<b>TOTAL REVENUES</b>	<b>45,655</b>	<b>363,239</b>	<b>588,353</b>	<b>62%</b>	<b>345,225</b>	<b>549,899</b>
<b>EXPENDITURES</b>						
Personnel	22,759	205,309	319,559	64%	196,923	292,673
Overhead	22,037	192,370	268,794	72%	163,372	257,225
<b>TOTAL EXPENDITURES</b>	<b>44,796</b>	<b>397,679</b>	<b>588,353</b>	<b>68%</b>	<b>360,295</b>	<b>549,898</b>
<b>EXCESS REVENUES &amp; OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	<b>858</b>	<b>(34,440)</b>	<b>0</b>		<b>(15,070)</b>	<b>1</b>

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

**ASSETS**

**Current Assets**

STWA - General	\$	83,180.90	
STWA - Payroll		21,584.91	
STWA - Operations		53,378.39	
Petty Cash		150.00	
TexPool - STWA General		2,801,477.58	
Due From Capital Projects Fund		9,304.78	
Due from Debt Service Fund		206.33	
Due from D.S. -Collect Service		7,215.04	
Tax Accounts Receivable		154,713.31	
Allowance for Uncollect Taxes		(66,653.05)	
Service accts receivable		227,169.64	
Interlocal Rec-Bishop		1,761.24	
Interlocal Rec-Ricardo		6,099.04	
Interlocal Rec-Nueces		10,104.68	
Interlocal Rec. - Tax Assessor		4,517.49	
Inventory		19,660.50	
<b>Total Assets</b>	<b>\$</b>		<b>3,333,870.78</b>

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

Trade Accounts Payable	\$	126,800.81	
Salaries & Wages Payable		17,438.40	
Unemployment Comp. Pbl.		377.62	
Miscellaneous Payables		1,617.15	
Compensated Absences		19,571.30	
Deferred tax revenue		88,060.26	
Due to Debt Service Fund		841.25	
<b>Total Liabilities</b>			<b>254,706.79</b>

**Fund Equity**

Unassigned Fund Balance		2,438,776.18	
Assigned Fund Bal. - Inventory		19,660.50	
Current Earning		620,727.31	
<b>Total Fund Equity</b>			<b>3,079,163.99</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$</b>		<b>3,333,870.78</b>

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

<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
<b>Current Assets</b>					
STWA - General	122,710.20	\$ 251,668.74	\$ (291,198.04)	\$ (39,529.30)	\$ 83,180.90
STWA - Payroll	20,647.23	35,006.00	(34,068.32)	937.68	21,584.91
STWA - Operations	43,142.22	50,252.72	(40,016.55)	10,236.17	53,378.39
Petty Cash	150.00	0.00	0.00	0.00	150.00
Transfers	0.00	85,000.00	(85,000.00)	0.00	0.00
TexPool - STWA General	2,778,741.12	22,736.46	0.00	22,736.46	2,801,477.58
Due From Capital Projects Fund	86,606.29	9,304.78	(86,606.29)	(77,301.51)	9,304.78
Due from Debt Service Fund	166.50	39.83	0.00	39.83	206.33
Due from D.S. -Collect Service	6,762.04	1,581.26	(1,128.26)	453.00	7,215.04
Tax Accounts Receivable	154,713.31	0.00	0.00	0.00	154,713.31
Allowance for Uncollect Taxes	(66,653.05)	0.00	0.00	0.00	(66,653.05)
Service accts receivable	191,873.02	168,147.79	(132,851.17)	35,296.62	227,169.64
Interlocal Rec-Bishop	3,161.27	903.84	(2,303.87)	(1,400.03)	1,761.24
Interlocal Rec-Ricardo	4,934.32	6,099.03	(4,934.31)	1,164.72	6,099.04
Interlocal Rec-Nueces	7,195.08	10,104.67	(7,195.07)	2,909.60	10,104.68
Interlocal Rec. - Tax Assessor	3,595.53	4,517.49	(3,595.53)	921.96	4,517.49
Inventory	19,660.50	0.00	0.00	0.00	19,660.50
<b>Total Assets</b>	<b>3,377,405.58</b>	<b>645,362.61</b>	<b>(688,897.41)</b>	<b>(43,534.80)</b>	<b>3,333,870.78</b>
<b>Current Liabilities</b>					
Trade Accounts Payable	(175,713.83)	226,455.22	(177,542.20)	48,913.02	(126,800.81)
Salaries & Wages Payable	(9,952.00)	9,952.00	(17,438.40)	(7,486.40)	(17,438.40)
Hospital Ins Tax Payable	0.00	1,359.72	(1,359.72)	0.00	0.00
Withholding Taxes Payable	0.00	4,313.66	(4,313.66)	0.00	0.00
Emply Retire Prem Payable	0.00	11,699.52	(11,699.52)	0.00	0.00
Unemployment Comp. Pbl.	(376.46)	0.00	(1.16)	(1.16)	(377.62)
Miscellaneous Payables	(1,583.60)	9,642.60	(9,676.15)	(33.55)	(1,617.15)
Compensated Absences	(19,571.30)	0.00	0.00	0.00	(19,571.30)
Deferred tax revenue	(88,060.26)	0.00	0.00	0.00	(88,060.26)
Due to Debt Service Fund	(673.00)	0.00	(168.25)	(168.25)	(841.25)
<b>Total Liabilities</b>	<b>(295,930.45)</b>	<b>263,422.72</b>	<b>(222,199.06)</b>	<b>41,223.66</b>	<b>(254,706.79)</b>
<b>Fund Equity</b>					
Unassigned Fund Balance	(2,438,776.18)	0.00	0.00	0.00	(2,438,776.18)
Assigned Fund Bal. - Inventory	(19,660.50)	0.00	0.00	0.00	(19,660.50)
<b>Total Fund Equity</b>	<b>(2,458,436.68)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(2,458,436.68)</b>
<b>Totals</b>	<b>623,038.45</b>	<b>\$ 908,785.33</b>	<b>\$ (911,096.47)</b>	<b>\$ (2,311.14)</b>	<b>\$ 620,727.31</b>

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

**66.67%**

			2019 YEAR TO MONTHLY DATE	ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
<b>REVENUES</b>							
Ad-Valorem - Current	3,715	349,343	364,889		96%	347,335	353,210
Delinquent Tax Revenue	700	6,977	7,000		100%	7,685	12,125
Penalty & Interest - Tax Accounts	603	4,145	5,500		75%	4,816	6,500
Out-of-District Surcharge	168	1,346	2,019		67%	1,439	2,159
Interest on Temporary Investments	662	3,335	3,250		103%	2,058	3,550
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>		0%	<u>0</u>	<u>0</u>
<b>TOTAL TAXES &amp; INTEREST</b>	<b>5,849</b>	<b>365,145</b>	<b>382,658</b>		<b>95%</b>	<b>363,333</b>	<b>377,544</b>
<b>OTHER FINANCING SOURCES</b>							
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>		0%	<u>0</u>	<u>0</u>
<b>TOTAL OTHER FINANCE SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>377,544</b>
<b>TOTAL REVENUE AND OTHER     FINANCE SOURCES</b>	<b>5,849</b>	<b>365,145</b>	<b>382,658</b>		<b>95%</b>	<b>363,333</b>	<b>377,544</b>
<b>EXPENDITURES</b>							
Fiscal Agent Fees	0	100	200		50%	100	200
Bond Interest Expense	0	61,175	122,350		50%	63,375	126,750
Bond Principal Payments	0	0	225,000		0%	0	220,000
Tax Collector Fees	-1,128	11,737	10,739		109%	11,606	11,966
Appraisal District Fees	1,581	4,744	6,600		72%	5,137	6,836
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>		0%	<u>0</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<b>453</b>	<b>77,755</b>	<b>364,889</b>		<b>21%</b>	<b>80,219</b>	<b>365,752</b>
<b>EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	<b>5,396</b>	<b>287,390</b>	<b>17,769</b>			<b>283,114</b>	<b>11,792</b>

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

**ASSETS**

**Current Assets**

Debt Service Acct. - TexPool	\$	327,683.50	
Due from General		841.25	
Interlocal Rec.-Tax Assessors		1,278.44	
Taxes Receivable		50,811.55	
Allowance for Uncollectibles		(8,581.46)	
<b>Total Current Assets</b>			<b>372,033.28</b>

**Other Assets**

<b>Total Other Assets</b>			<b>0.00</b>
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<b>Total Assets</b>			<b>\$ 372,033.28</b>
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**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

Deferred Tax Revenue	\$	42,230.09	
Due to General Fund		7,421.38	
<b>Total Current Liabilities</b>			<b>49,651.47</b>

**Long-Term Liabilities**

<b>Total Long-Term Liabilities</b>			<b>0.00</b>
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<b>Total Liabilities</b>			<b>49,651.47</b>
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**Funds Equity**

Fund Balance		34,991.97	
Net Income		287,389.84	
<b>Total Funds Equity</b>			<b>322,381.81</b>

<b>Total Liabilities &amp; Funds Equity</b>			<b>\$ 372,033.28</b>
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STWA Debt Service Fund  
 Gl Account Summary Report  
 As of: May 31, 2019

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
10400	Debt Service Acct. - TexPool	322,199.27	\$ 5,484.23	\$ 0.00	\$ 5,484.23	\$ 327,683.50
12200	Due from General	673.00	168.25	0.00	168.25	841.25
13001	Interlocal Rec.-Tax Assessor	1,042.41	1,278.44	(1,042.41)	236.03	1,278.44
13300	Taxes Receivable	50,811.55	0.00	0.00	0.00	50,811.55
13301	Allowance for Uncollectibles	(8,581.46)	0.00	0.00	0.00	(8,581.46)
21700	Deferred Tax Revenue	(42,230.09)	0.00	0.00	0.00	(42,230.09)
24000	Due to General Fund	(6,928.55)	1,128.26	(1,621.09)	(492.83)	(7,421.38)
39100	Fund Balance	(34,991.97)	0.00	0.00	0.00	(34,991.97)
Totals		<u>281,994.16</u>	<u>\$ 8,059.18</u>	<u>\$ (2,663.50)</u>	<u>\$ 5,395.68</u>	<u>\$ 287,389.84</u>

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

**66.67%**

	MONTHLY	YEAR TO DATE	2019 ADOPTED BUDGET	% OF 2019 ADOPTED BUDGET	2018 YEAR TO DATE	2018 FINAL BUDGET
<b>REVENUES</b>						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	1,997	15,638	17,500	89%	11,120	17,300
TOTAL REVENUE AND OTHER FINANCE SOURCES	1,997	15,638	17,500	89%	11,120	17,300
 <b>EXPENDITURES</b>						
Right of Way Acquisition	0	0	7,264	0%	0	0
Engineering Fees	0	0	245,594	0%	5,400	5,400
Construction Costs				0%	228,484	228,484
a) 42" Line-Cathodic Protection	9,305	113,908	305,977	57%	0	0
Pipeline Condition Assessment	0	0	199,395	0%	0	0
Legal & Administrative Fees	0	0	181,712	0%	0	0
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	9,305	113,908	939,942	12%	233,884	233,884
 <b>EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES</b>						
	(7,308)	(98,270)	(922,442)		(222,764)	(216,584)

Payroll Costs - CP Tech #1

	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	Year to Date Total
Payroll	\$2,660.00	\$3,200.00	\$3,200.00	\$4,800.00	\$3,260.00	\$4,935.00	\$3,290.00	\$3,200.00	\$28,545.00
Medicare	\$38.57	\$46.40	\$46.40	\$69.60	\$47.27	\$71.56	\$47.70	\$46.40	\$413.90
Retirement	\$199.50	\$240.00	\$240.00	\$360.00	\$244.50	\$370.13	\$279.65	\$272.00	\$2,205.78
Worker's Comp	\$98.08	\$117.99	\$117.99	\$176.98	\$120.20	\$181.96	\$121.31	\$117.99	\$1,052.49
Texas Workforce	\$24.00	\$57.60	\$56.52	\$86.40	\$3.26	\$4.94	\$3.29	\$0.00	\$236.01
Health	\$930.46	\$1,014.28	\$1,014.28	\$1,014.28	\$1,014.28	\$1,014.28	\$1,014.28	\$1,014.28	\$8,030.42
LTD/ADD/Life	\$0.00	\$40.35	\$40.35	\$40.35	\$40.35	\$40.35	\$40.35	\$40.35	\$282.45
Total	\$3,950.61	\$4,716.62	\$4,715.54	\$6,547.61	\$4,729.86	\$6,618.22	\$4,796.58	\$4,691.02	\$40,766.05

Payroll Costs - CP Tech #2

	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	Year to Date Total
Payroll	\$0.00	\$0.00	\$0.00	\$1,152.00	\$2,880.00	\$4,333.50	\$2,907.00	\$2,880.00	\$14,152.50
Medicare	\$0.00	\$0.00	\$0.00	\$16.36	\$41.76	\$62.84	\$42.15	\$41.76	\$204.87
Retirement	\$0.00	\$0.00	\$0.00	\$84.62	\$216.00	\$325.01	\$290.71	\$288.00	\$1,204.34
Worker's Comp	\$0.00	\$0.00	\$0.00	\$42.48	\$106.19	\$159.78	\$107.18	\$106.19	\$521.82
Texas Workforce	\$0.00	\$0.00	\$0.00	\$10.15	\$2.88	\$4.33	\$2.91	\$0.00	\$20.27
Health	\$0.00	\$0.00	\$0.00	\$294.48	\$1,014.28	\$1,014.28	\$1,014.28	\$1,014.28	\$4,351.60
LTD/ADD/Life	\$0.00	\$0.00	\$0.00	\$9.09	\$31.25	\$31.25	\$31.25	\$31.25	\$134.09
Total	\$0.00	\$0.00	\$0.00	\$1,609.18	\$4,292.36	\$5,930.99	\$4,395.48	\$4,361.48	\$20,589.49

**CATHODIC PROTECTION  
MATERIALS**

Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	10/1/18			Beginning Balance			
52101	Repairs & Maint-42" line	10/15/18	6296006	PJ	FERGUSON ENTERPRISES, INC #61 - MASTIC	277.50		
52101	Repairs & Maint-42" line	10/19/18	9940219042	PJ	W. W. Grainger, Inc. - AIR CHISEL SCALER, MULTIMETER	730.26		
52101	Repairs & Maint-42" line	10/23/18	121102	PJ	CITIBANK CORPORATE CARD - Wire dispenser, wiere, electrode, Cu-Sulfate	441.35		
52101	Repairs & Maint-42" line	10/23/18	9943313024	PJ	W. W. Grainger, Inc. - chisel	11.07		
52101	Repairs & Maint-42" line	10/26/18	608959	PJ	CITIBANK CORPORATE CARD - Harbor Freight Tools CP	46.38		
52101	Repairs & Maint-42" line	10/26/18	S100193768.001	PJ	CORPUS CHRISTI ELECT. CO - Splice kit, wire, tape etc.	407.55		
52101	Repairs & Maint-42" line				Current Period Change	1,914.11		1,914.11
		10/31/18			Ending Balance			1,914.11
Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	11/1/18			Beginning Balance			
52101	Repairs & Maint-42" line	11/5/18	S100195733.001	PJ	CORPUS CHRISTI ELECT. CO - Fuse- CP Rectifiers	152.20		
52101	Repairs & Maint-42" line	11/6/18	8536808	PJ	CITIBANK CORPORATE CARD - CP Supplies- Tools and Accessories	370.02		
52101	Repairs & Maint-42" line	11/7/18	9958831282	PJ	W. W. Grainger, Inc. - Canvas Cover	164.69		
52101	Repairs & Maint-42" line	11/8/18	10650443	PJ	McCOY'S BUILDING SUPPLY CENTER - CP Supplies	15.48		
52101	Repairs & Maint-42" line	11/9/18	2786209	PJ	LOWE'S BUSINESS ACCOUNT - shoval, tarp straps, ratchet bag, ladder	272.54		
52101	Repairs & Maint-42" line	11/16/18	6380664	PJ	LOWE'S BUSINESS ACCOUNT - Test leads	15.19		
52101	Repairs & Maint-42" line	11/19/18	10650786	PJ	McCOY'S BUILDING SUPPLY CENTER - Fogger and screws-	18.32		
52101	Repairs & Maint-42" line	11/28/18	05435	PJ	LOWE'S BUSINESS ACCOUNT - Cord Storage and Plastic Clamps CP	9.85		
	Thompson Pipe Grinders	11/16/18				1,083.60		
	Corrpro Companies	11/26/18				466.98		
	Repairs & Maint-42" line				Current Period Change	2,568.87		2,568.87
		11/30/18			Ending Balance			4,482.98
Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	12/1/18			Beginning Balance			
52101	Repairs & Maint-42" line	12/6/18	05402	PJ	LOWE'S BUSINESS ACCOUNT - CP - Tools	50.27		
52101	Repairs & Maint-42" line	12/10/18	0592-303691	PJ	O'REILLY AUTO SUPPLY - Filter Wrench -CP use	11.99		
52101	Repairs & Maint-42" line	12/21/18	0592-305470	PJ	O'REILLY AUTO SUPPLY - track hoe items	47.99		
52101	Repairs & Maint-42" line	12/27/18	06328	PJ	LOWE'S BUSINESS ACCOUNT - CP TOOLS	20.87		
52101	Repairs & Maint-42" line				Current Period Change	131.12		131.12
		12/31/18			Ending Balance			4,614.10
Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	1/1/19			Beginning Balance			
52101	Repairs & Maint-42" line	1/2/19	010105	PJ	CITIBANK CORPORATE CARD - Kubota L3901 Tractor with loader Rental	525.00		
52101	Repairs & Maint-42" line	1/11/19	01-11-19	PJ	Petty Cash - CP - CC Electronics - clips	31.00		
52101	Repairs & Maint-42" line	1/15/19	05141	PJ	LOWE'S BUSINESS ACCOUNT - CP washer bolts Nuts, and tool box	74.97		
52101	Repairs & Maint-42" line	1/21/19	0592-309884	PJ	O'REILLY AUTO SUPPLY - Adapter- CP	14.99		
52101	Repairs & Maint-42" line	1/21/19	02779	PJ	LOWE'S BUSINESS ACCOUNT - TOOL BAGS MATERIALS	95.03		
52101	Repairs & Maint-42" line	1/23/19	87290634	PJ	PRAXAIR DISTRIBUTION INC - Welder's helmet	239.95		
52101	Repairs & Maint-42" line	1/24/19	35767	PJ	CITIBANK CORPORATE CARD - tools- bolts, gang blank cover	62.55		
52101	Repairs & Maint-42" line	1/28/19	0592-311134	PJ	O'REILLY AUTO SUPPLY - Battery charger	35.98		
52101	Repairs & Maint-42" line				Current Period Change	1,079.47		1,079.47
		1/31/19			Ending Balance			5,693.57

Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
		2/1/19			Beginning Balance			
2101	Repairs & Maint-42" line	2/1/19	S100202542	PJ	CORPUS CHRISTI ELECT. CO - cathodic wire	351.00		
2101	Repairs & Maint-42" line	2/11/19	10653727	PJ	McCOY'S BUILDING SUPPLY CENTER - Masonry cement type S, marking spray	20.03		
2101	Repairs & Maint-42" line	2/26/19	10654249	PJ	McCOY'S BUILDING SUPPLY CENTER - winged wire nuts	10.56		
2101	Repairs & Maint-42" line				Current Period Change	381.59		381.59
		2/28/19			Ending Balance			6,075.16

Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
2101	Repairs & Maint-42" line	3/1/19			Beginning Balance			
2101	Repairs & Maint-42" line	3/1/19	544566 RI	PJ	CORRPRO COMPANIES, INC. - Test Stations Actual pipe with Electrical	422.11		
2101	Repairs & Maint-42" line	3/5/19	140654437	PJ	McCOY'S BUILDING SUPPLY CENTER - CP Sand	19.65		
2101	Repairs & Maint-42" line	3/5/19	10654440	PJ	McCOY'S BUILDING SUPPLY CENTER - Cement CP	28.49		
2101	Repairs & Maint-42" line	3/8/19	S100205273.001	PJ	CORPUS CHRISTI ELECT. CO - Splice kit	215.00		
2101	Repairs & Maint-42" line	3/12/19	544855	PJ	TRACTOR SUPPLY CREDIT PLAN - Flux Coat Bronze-Brazing Rod not for welding but for 1	16.99		
2101	Repairs & Maint-42" line	3/18/19	10654840	PJ	McCOY'S BUILDING SUPPLY CENTER - CP Test Stations, Treated pine	54.20		
2101	Repairs & Maint-42" line	3/19/19	06515	PJ	LOWE'S BUSINESS ACCOUNT - Wire connectors- CP Test Stations	17.82		
2101	Repairs & Maint-42" line	3/19/19	03192019	PJ	W. W. Grainger, Inc. - silicone sealant	4.08		
2101	Repairs & Maint-42" line	3/19/19	1346616682	PJ	W. W. Grainger, Inc. - Color reflector 3" (50)	86.50		
2101	Repairs & Maint-42" line	3/20/19	10654907	PJ	McCOY'S BUILDING SUPPLY CENTER - screws/bolts ? CP	8.67		
2101	Repairs & Maint-42" line	3/20/19	S100207104.001	PJ	CORPUS CHRISTI ELECT. CO - CP Test Stations- straps / bolts	124.98		
2101	Repairs & Maint-42" line	3/28/19	2800094	PJ	LOWE'S BUSINESS ACCOUNT - test stations self tap screws and lumber	91.09		
2101	Repairs & Maint-42" line	3/29/19	547823 RI	PJ	CORRPRO COMPANIES, INC. - Cott Big Fink - Test Stations Actual piping for the Test Stati	1,148.86		
2101	Repairs & Maint-42" line				Current Period Change			2,238.44
		3/31/19			Ending Balance			8,313.60

Account	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
2101	Repairs & Maint-42" line	4/1/19			Beginning Balance			
2101	Repairs & Maint-42" line	4/8/19	9139710363	PJ	W. W. Grainger, Inc. - Color reflectors for Test Stations	69.20		
2101	Repairs & Maint-42" line	4/9/19	88728715	PJ	PRAXAIR DISTRIBUTION INC - Welding Rods CP-50pounds	170.00		
2101	Repairs & Maint-42" line	4/9/19	S100208710.001	PJ	CORPUS CHRISTI ELECT. CO - Test Stations materials	98.85		
2101	Repairs & Maint-42" line	4/30/19	CD990014924	PJ	THOMPSON PIPE GROUP-PRESSURE - Bonding clips (200)	1,023.47		
11900	Corrpro Companies	4/16/19	549948 RI	PJ	CORRPRO COMPANIES, INC. - 500 Anodes	42,625.00		
2101	Repairs & Maint-42" line				Current Period Change			43,986.52
		4/30/19			Ending Balance			52,300.12
2101	Repairs & Maint-42" line	5/1/19			Beginning Balance			
2101	Repairs & Maint-42" line	5/1/19	01905	PJ	LOWE'S BUSINESS ACCOUNT - cement and hex bolts	17.75		
2101	Repairs & Maint-42" line	5/3/19	557677	PJ	TRACTOR SUPPLY CREDIT PLAN - Brazing Rod	16.99		
2101	Repairs & Maint-42" line	5/17/19	62089	PJ	CITIBANK CORPORATE CARD - 2 55# Rapid Set Mortar	32.80		
2101	Repairs & Maint-42" line	5/17/19	S100212436.001	PJ	CORPUS CHRISTI ELECT. CO - #10 Stranded blue wire (500 ft)	97.50		
2101	Repairs & Maint-42" line	5/31/19	108998	PJ	CITIBANK CORPORATE CARD - Concrete mix, electric tape	87.24		
2101	Repairs & Maint-42" line				Current Period Change	252.28		252.28
		5/31/19			Ending Balance			52,552.40

**CATHODIC PROTECTION  
FY2019**

	<b>Payroll</b>	<b>Materials</b>	<b>Total</b>
October 2018	\$3,950.61	\$1,914.11	\$5,864.72 Due from Capital Projects Fund
November 2018	\$4,716.62	\$2,568.87	\$7,285.49 Due from Capital Projects Fund
December 2018	\$4,715.54	\$131.12	\$4,846.66 Due from Capital Projects Fund
January 2019	\$8,156.79	\$1,079.47	\$9,236.26 Due from Capital Projects Fund
February 2019	\$9,022.22	\$381.59	\$9,403.81 Due from Capital Projects Fund
March 2019	\$12,549.21	\$2,238.44	\$14,787.65 Due from Capital Projects Fund
April 2019	\$9,192.06	\$43,986.52	\$53,178.58 Due from Capital Projects Fund
May 2019	\$9,052.50	\$252.28	\$9,304.78 Due from Capital Projects Fund
Totals	\$61,355.54	\$52,552.40	\$113,907.94

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

**ASSETS**

**Current Assets**

TexSTAR - Construction Fund	\$ 901,465.06	
Total Current Assets		901,465.06

**Property and Equipment**

Total Property and Equipment		0.00

**Other Assets**

Total Other Assets		0.00

Total Assets		\$ 901,465.06

**LIABILITIES AND FUNDS EQUITY**

**Current Liabilities**

Due to General Fund	\$ 9,304.78	
Total Current Liabilities		9,304.78

**Long-Term Liabilities**

Total Long-Term Liabilities		0.00

Total Liabilities		9,304.78

**Fund Balance**

Fund Balance	990,430.19	
Net Income	(98,269.91)	
Total Fund Balance		892,160.28

Total Liabilities & Fund Balance		\$ 901,465.06

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

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
11300	TexSTAR - Construction	986,074.52	\$ 1,996.83	\$ (86,606.29)	\$ (84,609.46)	\$ 901,465.06
2400	Due to General Fund	(86,606.29)	86,606.29	(9,304.78)	77,301.51	(9,304.78)
39100	Fund Balance	(990,430.19)	0.00	0.00	0.00	(990,430.19)
Totals		<u>(90,961.96)</u>	<u>\$ 88,603.12</u>	<u>\$ (95,911.07)</u>	<u>\$ (7,307.95)</u>	<u>\$ (98,269.91)</u>

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
5/31/2019	Willatt & Flickinger, PLLC		May Legal	pending	\$269.00
6/3/2019	Kleberg County Appraisal District	63019	3rd Quarter Allocation	pending	\$5,344.78
6/6/2019	City of Corpus Christi		May water	pending	\$105,659.45
					\$111,273.23

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

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

May 31, 2019

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

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FOR PROFESSIONAL SERVICES RENDERED since the date of last billing:

GENERAL

BILL FLICKINGER

- 05/08/19     Receive, review and respond to email from Carola Serrato on proposed email to City of Bishop City Secretary on License Agreement and Council Election. (0.2 Hours). Receive and review email from City of Bishop City Secretary on same issues. (0.2 Hours).
- 05/09/19     Receive and review email from Carola Serrato to John Valls on Water Supply Contract with the City of Driscoll. (0.2 Hours).
- 05/28/19     Telephone conference with Carola Serrato on proposed TIRZ. (0.2 Hours).

Attorney BF: 0.8 Hours

Attorney BF: 0.8 Hours @ \$300.00 per hour  
Attorney MM: 0 Hours @ \$300.00 per hour  
Legal Assistant AN: 0 Hours @ \$95.00 per hour

**POSTED**

\$240.00

CLIENT EXPENSES

70 Photocopies @ \$.20 each     \$14.00  
30 Color Photocopies @ \$.50 each     \$15.00

Total Client Expenses     \$29.00

**TOTAL AMOUNT DUE     \$269.00**

**KLEBERG COUNTY APPRAISAL DISTRICT**

P.O. BOX 1027 - 502 E. KLEBERG - KINGSVILLE, TEXAS 78364

PH. # (361) 595-5775 - FAX # (361) 595-7984

RECEIVED

JUN 05 2019

SOUTH TEXAS WATER AUTHORITY

TO: South Texas Water Authority  
FROM: Kleberg County Appraisal District  
DATE: June 3, 2019  
SUBJECT: 2019 Appraisal District Payment Information

The third payment from your taxing unit toward the 2019 Appraisal District Operating Budget is due to be paid by June 30, 2019. Thank you for your attention to this matter.

POSTED

Amount due if paid by 6/30/2019: \$ 5,344.78  
Amount due if paid after 6/30/2019: \$ 5,656.56

\$	5,344.78	
+ \$	267.24	(5% Penalty)
+ \$	44.54	(10% Interest /Mo)
\$	<u>5,656.56</u>	



**CITY OF  
CORPUS  
CHRISTI**

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

Account Name: SOUTH TX WATER AUTH  
Account Number: 20004093  
Statement Date: 6/6/2019  
Due Date: 6/27/2019  
Page: Page 1 of 2

**SERVICE INFORMATION**

Account Name: SOUTH TX WATER AUTH  
Account Number: 20004093  
Service Address: 0 END DR WTR5 RAW  
Account Type: PA  
Invoice Number: 2416704

**QUESTIONS ABOUT YOUR BILL?**

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

**IMPORTANT MESSAGES**

Friendly Reminder

The grace period to avoid disconnection of City utility services for delinquent accounts will be ending June 28, 2019.

If your account is past due, please contact the Utility Business Office at 361-826-2489 to set up a payment plan; to pay your balance; or to discuss your account. Select option 3 or email us at UBOResolutions@cctexas.com.

We are looking forward to hearing from you so we can work together on addressing the past due amount.

**ACCOUNT SUMMARY**

PREVIOUS BALANCE	\$103,119.45
TOTAL PAID SINCE LAST BILL	-\$103,119.45
<b>NEW CHARGES</b>	
WATER	\$63,822.55
RWCA \$1.013/TGAL	\$41,836.90
TOTAL WATER	\$105,659.45
<b>NEW CHARGES DUE BY 6/27/2019:</b>	<b>\$105,659.45</b>
<b>AMOUNT DUE</b>	<b>\$105,659.45</b>

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

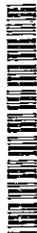
**POSTED**

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



**CITY OF  
CORPUS  
CHRISTI**

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



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

Account Number	Due Date	Amount Due
20004093	6/27/2019	\$105,659.45

AMOUNT DUE IF PAID AFTER 6/27/2019 \$110,942.42

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

When making payment in person, please bring this stub.

Working to Serve YOU Better.

**RECEIVED**

JUN 12 2019

6546



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

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



200040930105659457



City of Corpus Christi  
 City of Corpus Christi  
 P.O. Box 9287 • Corpus Christi, TX 78403-9287  
 (361) 826-CITY • www.cctexas.com

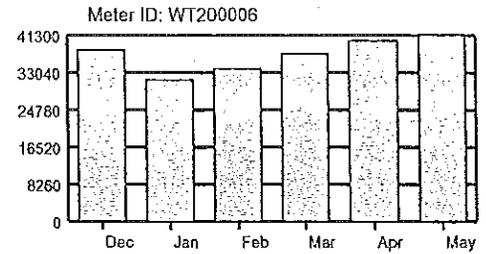
Account Number: 20004063  
 Statement Date: 6/6/2019  
 Due Date: 6/27/2019  
 Page: Page 2 of 2

**METER INFORMATION**

SERVICE PERIOD: 4/30/2019 - 5/31/2019 32 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 5/31/2019
WT200006	WA	4751000	4709700	41300

**CONSUMPTION HISTORY**



**Moving or Discontinuing your Services?**

To stop or change utility services, please call Customer Call Center  
 (361) 826-CITY (2489)

**PLEASE HELP US TO SERVE YOU BETTER**

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

**OPTIONS AVAILABLE TO PAY YOUR BILL**

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

**AUTHORIZED PAY STATIONS**

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

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

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-18	\$0.426386	\$2.3962	\$2.8226	\$0.426386	\$2.400926	\$2.827312	\$0.0047
Nov-18	\$0.426386	\$2.3978	\$2.8242	\$0.426386	\$2.394856	\$2.821242	-\$0.0029
Dec-18	\$0.426386	\$2.3977	\$2.8240	\$0.426386	\$2.397809	\$2.824195	\$0.0002
Jan-19	\$0.426386	\$2.5585	\$2.9849	\$0.426386	\$2.563857	\$2.990243	\$0.0053
Feb-19	\$0.426386	\$2.5602	\$2.9866	\$0.426386	\$2.562148	\$2.988534	\$0.0020
Mar-19	\$0.426386	\$2.5584	\$2.9848	\$0.426386	\$2.560199	\$2.986585	\$0.0018
Apr-19	\$0.426386	\$2.5575	\$2.9839	\$0.426386	\$2.558795	\$2.985181	\$0.0013
May-19	\$0.426386	\$2.5569	\$2.9833	\$0.426386	\$2.558340	\$2.984726	\$0.0014
Jun-19	\$0.426386	\$2.5566	\$2.9830	\$0.426386		\$0.426386	-\$2.5566
Jul-19	\$0.426386	\$2.5544	\$2.9808	\$0.426386		\$0.426386	-\$2.5544
Aug-19	\$0.426386	\$2.5545	\$2.9808	\$0.426386		\$0.426386	-\$2.5545
Sep-19	\$0.426386	\$2.5570	\$2.9833	\$0.426386		\$0.426386	-\$2.5570
<b>Avg Cost</b>	\$0.426386	\$2.5171	\$2.9435	\$0.426386	\$2.499616	\$2.926002	-\$0.0175

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

<b>All Customers</b>				<b>NWSC</b>			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-18	43,062,520	42,957,680	-104,840	Oct-18	12,246,024	13,422,420	1,176,396
Nov-18	39,364,677	46,914,980	7,550,303	Nov-18	11,006,676	13,454,530	2,447,854
Dec-18	39,672,886	39,489,710	-183,176	Dec-18	11,022,768	13,970,520	2,947,752
Jan-19	40,736,971	35,035,330	-5,701,641	Jan-19	11,767,366	13,131,970	1,364,604
Feb-19	37,399,151	36,095,310	-1,303,841	Feb-19	10,542,988	12,359,380	1,816,392
Mar-19	41,040,729	39,846,360	-1,194,369	Mar-19	11,148,151	14,090,630	2,942,479
Apr-19	43,086,786	42,644,290	-442,496	Apr-19	11,900,837	14,349,560	2,448,723
May-19	44,539,563	44,911,460	371,897	May-19	12,473,511	15,949,470	3,475,959
Jun-19	45,514,314	0		Jun-19	13,090,139	0	
Jul-19	52,429,711	0		Jul-19	14,997,937	0	
Aug-19	52,198,325	0		Aug-19	14,818,303	0	
Sep-19	44,493,859	0		Sep-19	13,165,218	0	
<b>TOTAL</b>	<b>523,539,495</b>	<b>327,895,120</b>	<b>-1,008,165</b>	<b>TOTAL</b>	<b>148,179,918</b>	<b>110,728,480</b>	<b>18,620,159</b>

<b>Kingsville</b>				<b>RWSC</b>			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-18	10,465,979	11,526,000	1,060,021	Oct-18	8,686,000	7,837,000	-849,000
Nov-18	10,465,979	14,703,000	4,237,021	Nov-18	7,566,000	6,767,000	-799,000
Dec-18	10,465,979	9,990,000	-475,979	Dec-18	7,426,600	7,249,000	-177,600
Jan-19	10,465,979	5,949,000	-4,516,979	Jan-19	7,345,000	8,378,000	1,033,000
Feb-19	10,465,979	10,005,000	-460,979	Feb-19	6,573,200	6,812,000	238,800
Mar-19	10,465,979	9,083,000	-1,382,979	Mar-19	8,123,200	9,141,000	1,017,800
Apr-19	10,465,979	11,316,000	850,021	Apr-19	8,844,400	9,562,000	717,600
May-19	10,465,979	12,462,000	1,996,021	May-19	9,071,600	7,930,000	-1,141,600
Jun-19	10,465,979	0		Jun-19	9,421,600	0	
Jul-19	10,465,979	0		Jul-19	10,670,600	0	
Aug-19	10,465,979	0		Aug-19	10,878,000	0	
Sep-19	10,465,979	0		Sep-19	8,333,800	0	
<b>TOTAL</b>	<b>125,591,753</b>	<b>85,034,000</b>	<b>1,306,165</b>	<b>TOTAL</b>	<b>102,940,000</b>	<b>63,676,000</b>	<b>40,000</b>

Bishop	Budgeted	Actual	Difference
Oct-18	4,397,600	2,413,000	-1,984,600
Nov-18	3,711,000	4,497,000	786,000
Dec-18	4,234,000	330,000	-3,904,000
Jan-19	4,464,400	11,000	-4,453,400
Feb-19	3,550,000	0	-3,550,000
Mar-19	4,585,400	195,000	-4,390,400
Apr-19	4,559,600	0	-4,559,600
May-19	4,897,600	279,000	-4,618,600
Jun-19	4,629,400	0	
Jul-19	7,354,800	0	
Aug-19	7,643,200	0	
Sep-19	5,273,400	0	
<b>TOTAL</b>	<b>59,300,400</b>	<b>7,725,000</b>	<b>-26,674,600</b>

Banquete	Budgeted	Actual	Difference
Oct-18	2,263,070	1,969,000	-294,070
Nov-18	2,054,046	2,079,220	25,174
Dec-18	2,024,012	2,301,060	277,048
Jan-19	2,028,542	1,919,740	-108,802
Feb-19	1,932,604	1,638,550	-294,054
Mar-19	1,964,422	1,621,910	-342,512
Apr-19	2,101,106	1,739,270	-361,836
May-19	2,222,884	1,848,830	-374,054
Jun-19	2,274,290	0	
Jul-19	2,533,618	0	
Aug-19	2,501,660	0	
Sep-19	2,139,458	0	
<b>TOTAL</b>	<b>26,039,712</b>	<b>15,117,580</b>	<b>-1,473,106</b>

Driscoll	Budgeted	Actual	Difference
Oct-18	2,674,051	3,930,000	1,255,949
Nov-18	2,604,305	3,666,400	1,062,095
Dec-18	2,527,969	3,524,700	996,731
Jan-19	2,753,560	3,617,100	863,540
Feb-19	2,533,000	3,436,800	903,800
Mar-19	2,802,440	3,726,200	923,760
Apr-19	2,893,740	3,713,000	819,260
May-19	3,100,100	3,900,600	800,500
Jun-19	3,149,760	0	
Jul-19	3,656,300	0	
Aug-19	3,340,813	0	
Sep-19	2,935,040	0	
<b>TOTAL</b>	<b>34,971,079</b>	<b>29,514,800</b>	<b>7,625,635</b>

Agua Dulce	Budgeted	Actual	Difference
Oct-18	2,329,796	1,860,260	-469,536
Nov-18	1,956,670	1,747,830	-208,840
Dec-18	1,971,558	2,124,430	152,872
Jan-19	1,912,124	2,028,520	116,396
Feb-19	1,801,380	1,843,580	42,200
Mar-19	1,951,137	1,988,620	37,483
Apr-19	2,321,124	1,964,460	-356,664
May-19	2,307,888	2,541,560	233,672
Jun-19	2,483,146	0	
Jul-19	2,750,476	0	
Aug-19	2,550,370	0	
Sep-19	2,180,964	0	
<b>TOTAL</b>	<b>26,516,633</b>	<b>16,099,260</b>	<b>-452,417</b>

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

	Target Volume	Actual Volume	Difference
Oct-18	12,451,513	11,526,000	-925,513
Nov-18	7,362,963	14,703,000	7,340,037
Dec-18	5,893,607	9,990,000	4,096,393
Jan-19	4,650,000	5,949,000	1,299,000
Feb-19	6,760,471	10,005,000	3,244,529
Mar-19	8,319,028	9,083,000	763,972
Apr-19	10,906,161	11,316,000	409,839
May-19	12,497,858	12,462,000	-35,858
Jun-19	14,240,055	0	
Jul-19	15,711,155	0	
Aug-19	15,911,986	0	
Sep-19	13,866,300	0	
<b>TOTAL</b>	<b>128,571,097</b>	<b>85,034,000</b>	<b>16,192,399</b>

## INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director  
FROM: Jacob Hinojosa, O&M Supervisor  
DATE: June 19, 2019  
RE: Maintenance & Technical Report

During the week of May 20, 2019, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Took NAP samples.
- Took daily residuals for the Driscoll Booster Station project. (Booster Station, CR 16 & KI MR)
- Mowed grass around pump stations.
- Took Unit #5 for an oil change and new tires.
- Trouble shooted Driscoll GST chlorine injection.
- Took Unit #3 to get an oil change.
- Checked on old leak repairs on the Driscoll GST.
- Took Unit #9 to get oil change.
- Exercised 42" isolation valves.
- Conducted Safety Meeting.

During the week of May 27, 2019, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Took NAP samples.
- Took daily residuals for the Driscoll Booster Station project. (Booster Station, CR 16 & KI MR)
- Took Unit #7 to get oil change and checked brakes.
- Took photos to send to TNT crane on diesel containment locations and surroundings.
- Delivered 1ton cylinder of chlorine for Driscoll Booster Station.
- Mowed grass around pump stations.
- Replaced light bulbs around office.
- Took Unit #2 to get oil change.
- Conducted Safety Meeting.

During the week of June 3, 2019, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.

- Took daily residuals for the Driscoll Booster Station project. (Booster Station, CR 16 & KI MR)
- Took NAP samples.
- Accompanied Third Coast Environmental while taking DBP samples for TCEQ.
- Took backhoe to get serviced for maintenance and worn out seal on stabilizer.
- Went though pump stations and took updated photos for S.O.P.'s.
- Moved LAS barrels around barn.
- Mowed grass at the property on Hwy 77 and CR 36.
- Worked on S.O.P.'s.
- Picked up and installed new UPS battery backup for Kingsville Pump Station SCADA.
- Replaced solenoid on the chlorine system for Agua Dulce Pump Station.
- Went though all pump stations to check on status and damages due to severe storm on June 6<sup>th</sup>.
- Worked with Hoelscher Electric on replacement meter of housing at the office. AEP does not perform this work.

During the week of June 10, 2019, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Took daily residuals for the Driscoll Booster Station project. (Booster Station, CR 16 & KI MR)
- Took NAP samples.
- Continued picking up debris around office.
- Employees went to doctor to renew medical card for CDL.
- Dropped off containment bins at various pump stations.
- Took Unit #10 to get work done due to overheating.
- Met with Mercer Controls to trouble shoot Banquete master meter.
- Took Unit #3 for vehicle inspection.
- Performed touch-up paint work on diesel containments at the pump stations after delivery.
- Conducted Safety Meeting.

ATTACHMENT 3

Truth In Taxation Notices, Effective Tax Rate and Meeting/Hearing Schedule

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 20, 2019  
Re: Truth in Taxation (TNT) Notice, Effective Tax Rate Calculation (ETR) and Meeting/Hearing Schedule

### Background:

As a water district, the Truth in Taxation (TNT) requirements for STWA are different from other taxing units. STWA does not compare the total taxable value from one tax year to the next. Instead, a comparison of the *average home value* from last year to this year is made. The Tax Year 2019 Average Home Value is not yet available. Last year (Tax Year 2018), the average home value after the \$5,000 homestead exemption was \$84,477. For Tax Year 2017, the average home value was \$82,680.

STWA's Effective Tax Rate (ETR) is calculated by multiplying the Tax Year 2019 average home value by the *proposed* tax rate to arrive at a proposed tax bill. The proposed tax bill is compared to the tax bill for last year's average home value using the current year's tax rate. This provides the information to compare last year's tax bill (on the "average" home) to a proposed tax bill.

For this year, State law still allows up to an 8% increase on the M&O portion of a property tax without being subject to a rollback. Staff calculates a value just below the 8% maximum for the publication which provides the greatest degree of flexibility in terms of adopting a rate. A lower rate can be adopted without another newspaper publication and public hearing.

### Analysis:

In order to comply with the necessary TNT laws the following are essential:

1. By Thursday, **July 25<sup>th</sup>**, the Nueces County and Kleberg County Certified Appraisal Rolls should be delivered. The Board has agreed to meet on July 30<sup>th</sup> rather than Tuesday, July 23<sup>rd</sup>.
2. During the **July 30<sup>th</sup>** Board 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 July 30<sup>th</sup> meeting which will be mailed to STWA's wholesale customers the following day, if approved.
3. 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 3<sup>rd</sup>**. Publications will occur on August 25<sup>th</sup>. This will provide the seven (7) days advance notice. Typically, the Nueces County Tax Office issues a letter notifying STWA of a deadline (usually around the 11<sup>th</sup> of September) to provide the adopted tax rate. In the past, the letter includes a statement that failure to meet the deadline will result in STWA paying to issue separate tax bills.

### Staff Recommendation:

In order to comply with the necessary TNT rules, provisions of the wholesale water supply contracts and a possible 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 25, 2019	Board Meeting	Agree on calendar, confirm quorums, review preliminary FY 2020 Budget
July 25, 2019	CADs deliver Rolls	Staff calculates ETR using Average Home Values
July 30, 2019	Board Meeting	Board votes on proposed rate, sets date/time of hearing, approves sending out Proposed Budget to Wholesale Customers
July 31, 2019	Staff Prep	Proposed Budget sent to Wholesale Customers for 30-day written comment period
Aug 1 – 31	30 – day Period	Wholesale Customers review/written comment period on the Proposed Budget
Aug 25, 2019	Publish Notices	Newspaper Notices must be published 7 days before the hearing
Sep 3, 2019	Public Hearing	Board holds public hearing on proposed tax rates.
Sep 3, 2019	Board Meeting	After hearing, Board adopts Tax Rates, Budgets, Water Rates, Handling Charge.
Sep 11, 2019 (??)	Possible 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:

Staff believes this outline will assist in establishing quorums for the necessary hearing and meetings. The following is information from the Texas Comptroller website pertaining to Water District TNT.

Water districts generally do not come under provisions of the Tax Code, but instead are governed by the Water Code. Water Code Sections 49.107(g) and 49.108(f) provide that Tax Code Sections 26.04, 26.05 and 26.07 do not apply to taxing units created under Water Code Section 49.001 that levy and collect taxes under Water Code Section 49.107 or 49.108. Information regarding water district calculations can be found in the Water District Rollback Tax Rate section below.

Water Code Section 49.001 defines a water district as any district or authority created by Texas Constitution, Article XVI, Section 59 or Article III, Sections 52(b)(1) and (2), but does not include:

- any navigation district or port authority created under general or special law or any conservation and reclamation district created by Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon's Texas Civil Statutes), or
- any conservation and reclamation district governed by Water Code Chapter 36 unless a special law creating the district or amending the law creating the district states that Water Code Chapter 49 applies to that district.

Water Code Sections 49.107(g) and 49.108(f) provide that Tax Code Sections 26.04, 26.05 and 26.07 do not apply to taxing units created under Water Code Section 49.001 that levy and collect taxes under Water Code Sections 49.107 and 49.108. Questions regarding the applicability of the Tax Code or the Water Code to a taxing unit should be directed to an attorney or other appropriate counsel.

**Rollback Tax Rate**

The rollback tax rate is the highest rate the water district may adopt without authorizing qualified voters to petition for a rollback election. The rollback rate is the current year's debt service and contract tax rates, plus the M&O rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

ATTACHMENT 4  
Preliminary 2020 Budget

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 21, 2019  
Re: Preliminary Fiscal Year 2020 Budget

Background:

Enclosed please find the Preliminary Fiscal Year 2020 Budgets.

At this time in the budget, water rate and tax rate calendar, there are numerous items not yet available. In fact, depending on the City of Corpus Christi's model update, the final pass through rates may not be set until November. The City has been contacted (see attached email) regarding a timeline.

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. Even though the cost is passed through, it does affect the volume the City of Kingsville purchases and the revenue generated from STWA's Handling Charge.
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 Values** which is used to determine the Effective Tax Rate.
3. **Certain Budgeted Costs** – these include Nueces County's per parcel tax collection fees and insurance costs. Most other expenses are based on historical figures and anticipated 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 2020, it would be the *tenth* year that the same rate is charged. This Preliminary Budget is based on a sales volume of approximately 530 million gallons and generates about \$226,000 in Handling Charge revenues. It is important to note that the calculated gallons is based on the City of Bishop beginning to purchase water once again. As before, 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<sup>1</sup>

It is based on preliminary appraisal district values and keeping the same tax rates as last year. 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) should be available by the Board meeting. The preliminary budget is based on an overall 2.7 % cost of living adjustment with the exception of my salary.

As required, the Interest and Sinking taxes must be calculated based on the debt service schedule and a rate that will generate the necessary funds to pay the annual interest and principal on the bonds. If the tax base does not decrease significantly and the Average Home Value increases as in the past, it appears the I&S rate will likely decrease.

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<sup>1</sup> The City of Kingsville is based on the number of gallons that can be purchased for \$380,000.

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 \$76,000 to Reserves. However, as the Board is aware, a major factor in the tax rate adoption process is the Average Home Value and to avoid a rollback situation the M&O tax rate may need to be lowered.

**SOUTH TEXAS WATER AUTHORITY  
GENERAL FUND  
PROPOSED FY2020 BUDGET**

**2019 ADOPTED RATES**

**O & M TAX RATE: \$0.067886**  
**I & S TAX RATE: \$0.018778**  
**HANDLING CHARGE: \$0.426386**  
**WATER RATE: \$2.436121**

\*City of Corpus Christi has not set the water rates for FY20. The FY19 rate was used for budget purposes.

	2019 ADOPTED BUDGET	2019 AMENDED BUDGET	2020 PRELIMINARY BUDGET	2020 PRELIMINARY BUDGET
<b>REVENUES</b>				
Water Service Revenue	\$1,366,000	\$1,366,000	\$1,355,928	\$1,355,928
Handling Charge Revenue	\$221,255	\$221,255	\$226,097	\$226,097
Premium Incremental Increase	\$20,000	\$32,000	\$20,000	\$20,000
Surcharge - Out of District	\$7,299	\$7,299	\$7,299	\$7,299
Interest Income	\$37,000	\$55,250	\$60,000	\$60,000
Other Revenue				
Operating & Maintenance Fees	\$0	\$0	\$0	\$0
Miscellaneous Revenues	\$5,000	\$12,000	\$12,000	\$12,000
<b>TOTAL REVENUES</b>	<b>\$1,656,554</b>	<b>\$1,693,804</b>	<b>\$1,681,324</b>	<b>\$1,681,324</b>
<b>EXPENDITURES</b>				
<b>Water Service Expenditures:</b>				
Bulk Water Purchases	\$1,366,000	\$1,366,000	\$1,355,928	\$1,355,928
Water Loss	\$0	\$0	\$0	\$0
<b>TOTAL WATER SERVICE</b>	<b>\$1,366,000</b>	<b>\$1,366,000</b>	<b>\$1,355,928</b>	<b>\$1,355,928</b>
<b>Payroll Costs</b>				
<b>Salaries &amp; Wages -</b>				
Permanent Employees	\$329,340	\$315,000	\$620,338	-\$283,794
Part-Time Employee	\$1,677	\$1,495	\$17,292	-\$15,563
Overtime - NWSC	\$0	\$0	\$12,000	-\$12,000
Stand-by Pay - NWSC	\$0	\$0	\$1,300	-\$1,300
Overtime - RWSC	\$0	\$0	\$12,000	-\$12,000
Stand-by Pay - RWSC	\$0	\$0	\$1,300	-\$1,300
Overtime - STWA	\$12,500	\$14,700	\$12,500	\$12,500
Stand-by Pay - STWA	\$1,300	\$1,300	\$1,300	\$1,300
Janitorial Pay - STWA Overtime	\$8,500	\$7,800	\$8,500	\$8,500
Employee Retirement Premiums	\$44,959	\$54,500	\$86,265	-\$39,637
Group Insurance Premium	\$169,292	\$169,292	\$408,370	-\$212,186
Unemployment Compensation	\$1,034	\$300	\$1,755	-\$1,015
Workers' Compensation	\$6,841	\$5,500	\$12,990	-\$6,729
Car Allowance	\$6,000	\$6,000	\$6,000	\$6,000
Hospital Insurance Tax	\$3,817	\$3,817	\$8,547	-\$4,539
<b>TOTAL PERSONNEL</b>	<b>\$585,260</b>	<b>\$579,704</b>	<b>\$1,210,456</b>	<b>\$620,392</b>
<b>Supplies &amp; Materials</b>				
Repairs & Maintenance	\$80,000	\$80,000	\$80,000	\$80,000
Meter Expense	\$5,000	\$5,000	\$5,000	\$5,000
Tank Repairs	\$25,000	\$25,000	\$50,000	\$50,000
Major Repairs	\$25,000	\$25,000	\$25,000	\$25,000
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>\$135,000</b>	<b>\$135,000</b>	<b>\$160,000</b>	<b>\$160,000</b>

Other Operating Expenditures:

Professional Fees

Legal	\$30,000	\$25,000	\$30,000		\$30,000
Auditing	\$9,750	\$9,750	\$10,000		\$10,000
Engineering	\$12,500	\$12,500	\$12,500		\$12,500
Management & Consulting	\$7,500	\$7,500	\$7,500		\$7,500
Inspections	\$4,000	\$4,000	\$6,000		\$6,000
Leak Detection	\$0	\$0	\$0		\$0
Banquete Overhead Tank Demolition	\$30,000	\$30,000	\$35,000		\$35,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$93,750</b>	<b>\$88,750</b>	<b>\$101,000</b>		<b>\$101,000</b>

	2019 ADOPTED BUDGET	2019 AMENDED BUDGET	2020 PRELIMINARY BUDGET		
<b>Consum Supplies/Materials</b>					
Postage	\$6,500	\$6,500	\$9,500	-\$3,000	\$6,500
Printing/Office Supplies	\$27,500	\$29,000	\$30,000		\$30,000
Janitorial/Site Maintenance	\$6,000	\$6,000	\$6,000		\$6,000
Fuel/Lubricants/Repairs	\$34,000	\$44,000	\$60,000	-\$30,000	\$30,000
Chemicals/Water Samples	\$52,500	\$52,500	\$52,500		\$52,500
Safety Equipment	\$1,500	\$2,200	\$1,500		\$1,500
Small Tools	\$2,000	\$2,000	\$2,000		\$2,000
<b>TOTAL CON. SUPPLIES/MATERIALS</b>	<b>\$130,000</b>	<b>\$142,200</b>	<b>\$161,500</b>		<b>\$128,500</b>
<b>Recurring Operating Costs</b>					
Telephone/Communications	\$20,654	\$20,654	\$22,000	-\$8,000	\$14,000
Utilities	\$112,500	\$102,500	\$110,000		\$110,000
D & O Liability Insurance	\$3,500	\$3,500	\$3,500		\$3,500
Property Insurance	\$30,000	\$47,292	\$47,300		\$47,300
General Liability	\$2,750	\$3,200	\$3,200		\$3,200
Auto Insurance	\$2,050	\$2,225	\$2,225		\$2,225
Travel/Training/Meetings	\$10,000	\$10,000	\$10,000		\$10,000
Rental-Equipment/Uniforms	\$5,000	\$5,000	\$5,000		\$5,000
Dues/Subscriptions/Publication	\$15,000	\$22,500	\$15,000		\$15,000
Pass Through Cost	\$600	\$400	\$400		\$400
Educational Materials	\$0	\$0	\$0		\$0
<b>TOTAL RECURRING OPER. COSTS</b>	<b>\$202,054</b>	<b>\$217,271</b>	<b>\$218,625</b>		<b>\$210,625</b>
<b>Miscellaneous</b>					
Miscellaneous Expenditures	\$7,500	\$7,500	\$7,500		\$7,500
<b>TOTAL MISCELLANEOUS</b>	<b>\$7,500</b>	<b>\$7,500</b>	<b>\$7,500</b>		<b>\$7,500</b>
<b>Total Administrative &amp; Operations Exp.</b>	<b>\$2,519,564</b>	<b>\$2,536,425</b>	<b>\$3,215,009</b>		<b>\$2,583,945</b>
<b>Capital Outlay</b>					
Capital Acquisition	\$240,400	\$398,444	\$225,350		\$225,350
Engineering	\$0	\$5,000	\$17,200		\$17,200
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$240,400</b>	<b>\$403,444</b>	<b>\$242,550</b>		<b>\$242,550</b>
<b>TOTAL EXPENDITURES (w/o D.S. exp.)</b>	<b>\$2,759,964</b>	<b>\$2,939,869</b>	<b>\$3,457,559</b>		<b>\$2,826,495</b>
Excess (Deficiencies) of Revenue Over Expenditures	-\$1,103,410	-\$1,246,065	-\$1,776,235		-\$1,145,171

OTHER FINANCE SOURCE (USES)

Transfer to Other Funds

Disposition of Assets (Surplus Sale)	\$1,500	\$15,000	\$1,500	\$1,500
Transfer from Tax Accounts	\$1,238,343	\$1,238,343	\$1,219,591	\$1,219,591

TOTAL OTHER FINANCING SOURCES (USES)

	\$1,239,843	\$1,253,343	\$1,221,091	\$1,221,091
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EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)

	\$136,433	\$7,278	-\$555,144	\$75,920
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NET INCOME

	\$136,433	\$7,278	-\$555,144	\$75,920
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**Capital Acquisition**

a. New truck	\$32,500
b. RWSC Booster	\$15,000
c. Technology Upgrades	\$5,000
d. Large Air Compressor	\$25,000
e. Truck Utility Bed	\$11,000
f. New Chlorine & LAS Scales	\$16,850
g. Banquete PS Including Hydro Tank	<u>\$120,000</u>
	\$225,350

Engineering

a. RWSC Booster	\$17,200
	\$17,200

**SOUTH TEXAS WATER AUTHORITY  
GENERAL FUND - TAX ACCOUNTS  
PRELIMINARY FY2020 BUDGET**

**O & M TAX RATE:            2019  
                                          \$0.067886  
I & S TAX RATE:            \$0.187780  
HANDLING CHARGE:        \$0.426386  
WATER RATE:                \$2.436121**

	2019 ADOPTED BUDGET	2019 AMENDED BUDGET	2020 PRELIMINARY BUDGET
<b>REVENUES</b>			
Ad Valorem - Current (M & O)	\$1,257,158	\$1,257,158	\$1,257,158
Delinquent Taxes	\$27,500	\$27,500	\$27,500
Penalty & Interest - Tax Accounts (M & O)	\$16,000	\$16,000	\$16,000
<b>TOTAL M&amp;O TAX REVENUES</b>	<b>\$1,300,658</b>	<b>\$1,300,658</b>	<b>\$1,300,658</b>
<b>EXPENDITURES</b>			
Tax Collector Fees	\$38,597	\$38,597	\$54,732
Appraisal Districts	\$23,718	\$23,718	\$26,335
Refunds	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$62,315</b>	<b>\$62,315</b>	<b>\$81,067</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>\$1,238,343</b>	<b>\$1,238,343</b>	<b>\$1,219,591</b>
<b>OTHER USES</b>			
Transfer to Revenue Fund (Tax)	\$1,238,343	\$1,238,343	\$1,219,591
<b>TOTAL EXPEND. &amp; OTHER USES</b>	<b>\$1,300,658</b>	<b>\$1,300,658</b>	<b>\$1,300,658</b>
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	\$0	\$0

**SOUTH TEXAS WATER AUTHORITY  
DEBT SERVICE FUND  
PRELIMINARY FY2020 BUDGET**

**2019 RATE**  
**Debt Service Tax Rate**  
**\$0.018778 per \$100**

Tax Base Value:  
Collection Rate:

	2019 ADOPTED BUDGET	2020 PRELIMINARY BUDGET
<b>REVENUES</b>		
Ad Valorem - Current	\$364,889	\$369,789
Ad Valorem - Delinquent	\$7,000	\$7,000
Penalty & Interest - Tax Accounts	\$5,500	\$5,500
Out-of-District Surcharge	\$2,019	\$2,046
Interest on Temporary Investments	\$3,250	\$3,250
Miscellaneous	<u>\$0</u>	<u>\$0</u>
<b>TOTAL TAXES &amp; INTEREST</b>	<b>\$382,658</b>	<b>\$387,585</b>
<b>OTHER FINANCING SOURCES</b>		
	<u>\$0</u>	<u>\$0</u>
<b>TOTAL OTHER FINANCE SOURCES</b>	<b>\$0</b>	<b>\$0</b>
Total Revenue and Other Financing Sources	<b>\$382,658</b>	<b>\$387,585</b>
<b>EXPENDITURES</b>		
Fiscal Agent Fees	\$200	\$200
Bond Interest Expense	\$122,350	\$117,850
Bond Principal Payments	\$225,000	\$230,000
Tax Collector Fees	\$10,739	\$15,139
Appraisal District Fees	\$6,600	\$6,600
Miscellaneous Fees	<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENDITURES</b>	<b>\$364,890</b>	<b>\$369,790</b>
<b>OTHER USES</b>		
<b>TOTAL EXPEND. &amp; OTHER USES</b>	<b>\$364,890</b>	<b>\$369,790</b>
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<b>\$17,769</b>	<b>\$17,796</b>

**From:** mcserrato@stwa.org  
**Sent:** Thursday, June 20, 2019 3:00 PM  
**To:** Reba George (RebaG@cctexas.com)  
**Cc:** Martha Messer; Dan Grimsbo; Mark Van Vleck; Bill Flickinger; Frances Rosales; Jacob Hinojosa  
**Subject:** FW: FY 2019 Rates and Updated Rate Model

**Importance:** High

<b>Tracking:</b>	<b>Recipient</b>	<b>Read</b>
	Reba George (RebaG@cctexas.com)	
	Martha Messer	
	Dan Grimsbo	
	Mark Van Vleck	Read: 6/20/2019 3:02 PM
	Bill Flickinger	
	Frances Rosales	
	Jacob Hinojosa	Read: 6/21/2019 5:08 PM
	Frances Rosales - De Leon	Read: 6/21/2019 9:28 AM

Good Afternoon Reba,

This is my annual email inquiring about rates for the upcoming year. Last year (as indicated in your email below), we were told to expect a delay in receiving information as a result of the City's transition to a new Utility Billing software. If the recent CC Caller article is to be trusted, it sounds as if the bugs have been worked out. So, can we expect the model to be provided in the near future? Can you provide an estimated delivery date.

Thanks,

Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

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

**From:** Reba George <RebaG@cctexas.com>  
**Sent:** Thursday, June 28, 2018 4:46 PM  
**To:** mcserrato@stwa.org  
**Cc:** Martha Messer <MarthaMe@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>  
**Subject:** FY 2019 Rates and Updated Rate Model

Carola –  
The update to the rate model will be completed later this year than last due to delayed access to 2017 consumption data needed for the update. We transitioned to a new Utility Billing software (Infor) in January and are still in the midst of testing and solving issues with reports and the extraction of reliable data.

We hope to have all data validated and can run an update of the rate model by the end of September in order to provide our public agencies with 2019 rates.

Thank you,  
Reba

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

**Sent:** Monday, June 18, 2018 4:38 PM

**To:** Martha Messer <[MarthaMe@cctexas.com](mailto:MarthaMe@cctexas.com)>; Reba George <[RebaG@cctexas.com](mailto:RebaG@cctexas.com)>

**Cc:** Dan Grimsbo <[DanG@cctexas.com](mailto:DanG@cctexas.com)>; Mark Van Vleck <[MarkVV@cctexas.com](mailto:MarkVV@cctexas.com)>; Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>;  
Frances Rosales <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; Jo Ella Wagner <[jwagner@stwa.org](mailto:jwagner@stwa.org)>

**Subject:** FW: FY 2018 Rates and Updated Rate Model

Good Afternoon Martha and Reba,

It is that time of year again and I am wondering about a schedule to receive the FY 2019 Rates and Updated Rate Model. STWA has a board meeting on June 26<sup>th</sup> including a preliminary budget review.

Also, if I need to contact another City staff person, please let me know.

STWA continues to appreciate your assistance.

Thanks,  
Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

**From:** Martha Messer <[MarthaMe@cctexas.com](mailto:MarthaMe@cctexas.com)>

**Sent:** Wednesday, June 28, 2017 1:21 PM

**To:** Carola Serrato <[cserrato@stwa.org](mailto:cserrato@stwa.org)>

**Cc:** Jo Ella Wagner <[jwagner@stwa.org](mailto:jwagner@stwa.org)>; Frances Rosales <[fvrosales@stwa.org](mailto:fvrosales@stwa.org)>; Chris Ekrot <[cekrot@newgenstrategies.net](mailto:cekrot@newgenstrategies.net)>;  
Mark Van Vleck <[MarkVV@cctexas.com](mailto:MarkVV@cctexas.com)>; Lisa Aguilar [LGL] <[LisaA@cctexas.com](mailto:LisaA@cctexas.com)>; Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>;  
Adriane Ferraro <[AdrianeF@cctexas.com](mailto:AdrianeF@cctexas.com)>; Reba George <[RebaG@cctexas.com](mailto:RebaG@cctexas.com)>

**Subject:** RE: FY 2018 Rates and Updated Rate Model

We hope to get it out to you within a week.

Martha

**From:** Carola Serrato [<mailto:cserrato@stwa.org>]

**Sent:** Wednesday, June 28, 2017 10:58 AM

**To:** Martha Messer

**Cc:** Jo Ella Wagner; Frances Rosales; Chris Ekrot; Mark Van Vleck; Lisa Aguilar [LGL]; Bill Flickinger

**Subject:** FY 2018 Rates and Updated Rate Model

Good Morning Martha,

This is my annual request for information on the model and cost of water – both raw and treated components – in order to provide a more accurate budget to the STWA Board. Last night, the STWA Board met and staff presented the preliminary budget based on the City of Corpus Christi rates for FY 17.

Please let me know the anticipated date that the model will be available.

Also, if there is another person that I should receive this email, please let me know and I would be glad to forward it to the proper contact.

As always, we very much appreciate you continued assistance.

Carola

Carola G. Serrato  
Executive Director

**South Texas Water Authority**

P.O. Box 1701

Kingsville, Texas 78364

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

361-592-9323 x12

361-592-5965 fax

ATTACHMENT 5

License Agreement – City of Bishop

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 21, 2019  
Re: City of Bishop – License Agreement – Bishop East PS Property

Background:

Last month, the Bishop City Council was scheduled to meet the day after STWA's Board meeting, on May 29<sup>th</sup>. Although the meeting was held, there was not an agenda item related to either the License Agreement with STWA or NWSC. I used the opportunity to introduce myself to the newly elected council person, Kabrina Lawrence and indicate that I was available to meet and review information on the offered contract. Subsequent to the meeting, Ms. Lawrence called to arrange a meeting on June 13<sup>th</sup> which she was unable to make. Attempts to reschedule the meeting have been unsuccessful to date.

Late this afternoon, information was received from Mr. Gerald Benadum, City of Bishop's legal counsel. I have not had an opportunity to review the redline changes in detail. Additionally, I have not discussed the changes in detail with Mr. Bill Flickinger, Willatt and Flickinger. Attached is the redline Agreement from Mr. Benadum and Mr. Flickinger's initial assessment. Mr. Flickinger has indicated that he should have a detailed analysis by Monday.

Analysis:

Enclosed is the latest email correspondence on this matter. It was my understanding from Ms. Contreras' last email that there would be an item on the Council's May agenda. Ms. Contreras indicated, just prior to the May 29<sup>th</sup> meeting beginning, that an item would be on their meeting the following month. Yesterday, I left a voice mail message for Ms. Contreras inquiring about the Council's schedule. As of today, I have not received a response from Ms. Contreras.

As indicated above, staff and legal counsel should have recommendations regarding the revised Agreement.

Staff Recommendation:

Provide any recommended changes to the enclosed redline, if necessary. Approve providing those recommended changes to the City – again if necessary. An alternative is to consider approving the enclosed, revised Agreement contingent upon legal counsel and staff's recommendations.

Board Action:

If necessary, approve any recommended changes to the enclosed redline as well as approve providing those recommended changes to the City. Consider approving the enclosed, revised Agreement contingent upon legal counsel and staff's recommendations.

Summarization:

It would be premature to summarize that this negotiation is very near to completion since a more detailed review is necessary. However, it is encouraging that a revised Agreement has been received.

**From:** Bill Flickinger <bflickinger@wfaustin.com>  
**Sent:** Friday, June 21, 2019 3:31 PM  
**To:** Carola Serrato (mcserrato@stwa.org)  
**Cc:** Allison Nix  
**Subject:** FW: Bishop / STWA License Agreement  
**Attachments:** STWA - Bishop License glb 6-21-19 redline.docx

Carola:

My quick initial review of this is very encouraging. Please let me have your comments when convenient. Thank you.

Very truly yours,

*Bill Flickinger*

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

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

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

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

**From:** gerald benadum <glbenadum@att.net>  
**Sent:** Friday, June 21, 2019 3:06 PM  
**To:** Bill Flickinger <bflickinger@wfaustin.com>  
**Cc:** Carola Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Tem Miller <jtgolf@stx.rr.com>; Cynthia Contreras <bishopcitysecretary@corpus.twcbc.com>; Laura Cantwell <lcantwell8@gmail.com>  
**Subject:** Bishop / STWA License Agreement

Bill, I have been authorized to release to you and Carola the attached revised version of the proposed License Agreement from the City of Bishop to STWA. this shows redline the changes I have recommended to the version you last submitted to me. I intend that it shows all the changes; if I have missed one or other I apologize for my failure with Word. This has been submitted to my clients and, so far as I'm aware, they are in agreement with this version.

Of note are the additions in Article IX E. In your latest version, you added a provision allowing STWA to continue having an underground presence after the License terminates. I have added provisions to address that continued use of the property.

This document probably will need some cleanup in formatting in a final version for adoption by the parties.

Have a good afternoon.

Jerry

Gerald L. Benadum  
[gibenadum@atf.net](mailto:gibenadum@atf.net)  
office: 361-881-6078  
cell: 361-549-3019  
fax: 361-881-6080

LICENSE AGREEMENT

STATE OF TEXAS §
COUNTY OF NUECES § KNOW ALL MEN BY THESE PRESENTS: §

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

I. PURPOSE OF LICENSE AGREEMENT

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

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

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

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

II. LICENSED PROPERTY

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

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

Licensee is familiar with all characteristics and conditions of the Property and is not relying on any representations for the City with respect to the Property or the suitability of the property for Licensee's

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purpose. The City does not make, and expressly disclaims, any representation or warranty express or implied that the property is safe or suitable for Licensee's intended purpose or safe or suitable for any other purpose. Licensee shall assume all risks in using the Licensed Property.

### III. FEES

ANNUAL FEES. Licensee shall pay to the City, for the license and permission herein granted to Licensee annual fees of \$5,000.00 each for the first 5 (five) years of this License, with the first such annual fee due and payable upon execution of this Agreement and each of the 4 (four) subsequent annual fees being due on or before January 15 of each subsequent calendar year. ~~After the first 5 calendar years following execution of this Agreement, an annual fee of \$100.00, increasing each year by 5% of the previous year's fee, shall be assessed for the license and permission herein granted to Licensee and Licensee shall pay such annual fees within sixty (60) days of receipt of an invoice from the City for same.~~

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

- A. This Agreement is expressly subject and subordinate to the present and future right of the City, its successors, assigns, lessees, grantees, and licensees, to enter upon the Licensed Property for any purpose including, but not limited to, the construction, installation, establishment, repair, maintenance, and/or operation and renewal of any public utilities.
- B. ~~Nothing in this Agreement shall be construed to limit, in any way, the City's ownership interest in the Licensed Property and Licensee hereby acknowledges the City's fee title to the Licensed Property, subject only to this License. The City agrees to work in good faith with Licensee to negotiate Licensee's purchase of the fee simple interest in the Licensed Property on terms agreeable to both parties.~~
- C. The City shall have the right to make connections to, and reasonable use of, the Licensed Improvements for the purpose of accessing the water supply of the Licensee. The City shall pay all of its own costs and shall reimburse Licensee for all reasonable costs incurred by Licensee as a result of the City's connections and use and for all water used at the same rate as the City pays for water purchased from Licensee under the then current Water Supply Contract between City and STWA. All connections into Licensee's Improvements shall require preapproval by Licensee, which approval shall not be unreasonably withheld.

### V. INSURANCE

Licensee, shall, at its sole expense, provide a commercial general liability insurance policy, written by a company acceptable to the City and licensed to do business in Texas, with a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. Such insurance coverage shall specifically name the City as an additional insured. This insurance coverage shall cover all perils arising

from the activities of Licensee, its officers, directors, employees, agents, guests, invitees, or contractors, relative to this Agreement. Licensee shall be solely responsible for the payment of any deductibles stated in the policy. Proof of each policy affecting such coverage shall be delivered to the City. So long as Licensee is using the Licensed Property, Licensee shall not cause such insurance to be cancelled nor permit such insurance to lapse. All insurance policies and certificates shall provide that the coverage shall not be reduced, restricted, or otherwise limited until ninety (90) days after the City has received written notice thereof as evidenced by a return receipt of registered or certified mail. ~~The limits of such coverage shall be increased from time to time in amounts reasonable to reflect the then prevailing risks and prevailing liability costs and risks.~~

## VI. INDEMNIFICATION

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

## VII. CONDITIONS

- A. **Licensee's Responsibilities.** Licensee, at Licensee's sole cost and expense, shall be responsible for the installation, construction, operation, maintenance, repair, replacement, and removal of the Licensed Improvements and for any costs arising therefrom, including but not limited to relocation of Licensed Improvements. ~~NOTE: SEE SECTION VII D BELOW FOR NOTICE AND REIMBURSEMENT IN THE EVENT OF DEFAULT. THAT IS WHY THE FOREGOING SENTENCE WAS DELETED.~~ Notwithstanding the foregoing, no repairs or replacements will be made by Licensee with respect to the pumps previously used to serve the City without payment of the costs thereof by the City. ~~Provided however the City shall have the right to make repairs directly to said pumps and shall have the right to replace one or both of said pumps at its own cost and, in that event, shall have ownership of and responsibility for each new pump so installed by the City.~~
- B. **Maintenance.** Licensee expressly agrees to maintain the Licensed Property in a clean, safe, and good condition at Licensee's sole cost and expense for the duration of the license. Licensee shall keep the Licensed Property fenced and secured as may be reasonably necessary for the protection of the improvements and properties and for the protection of the public.

C. Modification. Licensee agrees that the modification of any improvements on the Licensed Property must be approved in writing by the City prior to any such modification.

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D. Water Service. Licensee shall not use the Licensed Property or any of the Licensed Improvements, directly or indirectly, to provide water service to any customer within the boundaries of the City without specific prior written approval from the City Council, nor allow or facilitate any third party to do so.

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D.E. Default. In the event that Licensee fails to maintain the Licensed Property or otherwise comply with the terms or conditions as set forth herein, then the City may give Licensee written notice thereof, by registered or certified mail, return receipt requested to the address set forth below. Licensee shall have ninety (90) days from the date of receipt of such notice to remedy the failure complained of and, if Licensee does not satisfactorily remedy the same within the ninety-day period following receipt of the notice described in this paragraph, the City may perform the work or contract for the completion of the work. In such event, Licensee agrees to pay within sixty (60) days of written demand for payment by the City, all costs and expenses incurred by the City in completing the work.

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#### VIII. TERM

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

#### IX. TERMINATION

A. Termination by Abandonment. If Licensee abandons the use of all or any part of the Licensed Property for such purposes set forth in this Agreement, this Agreement as to such portion or portions abandoned, and any rights of Licensee therein, shall expire and terminate following upon thirty (30) days' written notice to the Licensee. The City shall thereafter have the right to enter and take possession of the abandoned portion of the Licensed Property, and any rights of the Licensee shall be terminated as of the date of the abandonment. If Licensee fails to remove one or more items of any of the Licensed Improvements or its equipment from the abandoned portion, the City may elect to remove all or part of such items at Licensee's expense, or may elect for all or part of such items to be deemed owned by the City as of the time abandoned, and all actual costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) days of receipt of the City's statement demanding payment. The City may deem the Licensed Property or any part of the Licensed Property to be abandoned if Licensee has (1) apparently abandoned it or (2) has not made use of it for 365 days, and has failed to maintain it in a useable condition for these 365 days. Notwithstanding the provisions of this paragraph, a failure to use or maintain any of the following facilities shall not be deemed an abandonment: The two (2) pumps

previously used to provide water service to the City, an abandoned chlorine portable building, yard piping connecting into the City's distribution system, a pressure reduction valve on the yard piping and associated valves and controls and any other buildings, facilities or equipment previously used to provide water service to the City or previously used by the City to provide water services to its customers.

- B. Termination by the Licensee. This Agreement may be terminated by the Licensee by delivering written notice of termination to the City not later than ninety (90) days before the effective date of the termination stated in the notice. If the Licensee so terminates, then Licensee shall remove the Licensed Improvements installed by the Licensee and any other equipment of Licensee. In the event the Licensee fails to remove such Licensed Improvements or equipment on or before the effective date of such termination, the City may elect to remove all or part of such items at Licensee's expense, or may elect for all or part of such items to be retained by the City, and all ~~such~~ actual costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) days of receipt of the City's statement demanding payment.
- C. Termination by the City. This Agreement may be terminated by the City, with or without cause, by delivering written notice of termination to the Licensee not later than five years before the effective date of the termination stated in the notice. If the City so terminates, then the Licensee shall remove the Licensed Improvements installed by the Licensee by the effective date of termination stated in the City's notice. In the event the Licensee fails to remove such Licensed Improvements and any other equipment of Licensee on or before such expiration date, the City may elect to remove all or any part of such items at Licensee's expense, or may elect for all or any part of such items to be retained by the City, and all ~~such~~ actual costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) days of receipt of the City's statement.
- D. Licensee shall continue to be liable to the City for the annual license fees until all of Licensee's property has been removed and the site restored in accordance with subsection E, below, prorated to the date the removal is completed. ~~In the event Licensee fails to fully vacate and restore the Licensed Property, Licensee shall owe monthly holdover fees until the property is fully vacated and restored. The holdover fee shall be the amount of \$200 per month adjusted by increases in the CPI- All Cities index from the effective date of this License.~~

E. Upon any termination, Licensee's obligation to remove its property shall include an obligation to remove all foundations and other subsurface objects, and Licensee shall restore the surface of the Property to a level, sodded surface in good health compatible with the City's adjacent park property. Notwithstanding the foregoing, Licensee shall not be required to remove any underground water pipes, valves or other appurtenances ~~that are necessary will continue~~ to be used to provide water service to its customers, subject to the following terms:

1. In the event Licensee elects to leave in place any such underground pipes, valves, or other appurtenances (facilities), the terms of this License shall continue to apply to those underground facilities as an Underground Licensee.

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2. Licensee shall deliver to the City complete plans of all of the facilities, including a description of the depth at which those facilities are located; the City shall have a right at all times to inspect the facilities;
3. All facilities shall be located more than 3" below the surface, except for necessary access holes; and all access holes shall be closed with covers that are flush to the surface, do not interfere with use of the park, and do not pose any safety hazard;
4. Licensee shall have reasonable access to the facilities and may make reasonable use of the surface within the boundaries of the Licensed Property to maintain, repair, and replace the facilities;
5. Licensee may not materially or substantially expand the facilities or its use of the licensed property;
6. Licensee shall pay an annual fee in the same amount as the license fees that would have been due under section III if the full License had continued;
7. All of Licensee's rights shall expire at the end of the 20th year after the effective date of the termination of this License. Upon expiration, Licensee shall remove all facilities and restore the property and the surface as described above. In the event Licensee fails to fully vacate and restore the Licensed Property, Licensee shall owe monthly holdover fees until the property is fully vacated and restored. The holdover fee shall be the amount of \$200 per month adjusted by increases in the CPI- All Cities index from the effective date of this License.

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## X. LEGAL ACTIONS

- A. **Application of Law; Entire Agreement; Severability.** This Agreement shall be governed by the laws of the State of Texas. This Agreement embodies the complete agreement of the parties hereto, superseding all prior oral and written agreements between the parties with respect to the subject matter in this Agreement. If the final judgment of a court of competent jurisdiction invalidates any part of this Agreement, then the remaining parts shall be enforced, to the extent possible consistent with the intent of the parties as evidenced by this Agreement.
- B. **Venue.** Exclusive venue for all claims and lawsuits arising from or concerning this Agreement shall be in a State court sitting in Nueces County Texas.
- C. **Mediation.** If a dispute or claim arises between the parties relating to this Agreement or the performance of the parties hereto, the parties agree to use the following dispute resolution procedures, prior to filing suit:
  - (1) Either party may give notice that a dispute or claim exists and request that these procedures be commenced. A meeting then shall be held promptly between the parties to attempt in good faith to negotiate a resolution of the dispute or claim.
  - (2) If, within 10 days after such meeting, the parties have not reached agreement on a resolution, either party may demand that the

dispute or claim be submitted for non-binding mediation, and both parties shall participate in good faith in the mediation procedures to attempt to negotiate a resolution.

(3) Each party to the dispute shall bear an equal portion of any fees and expenses charged by the mediator.

(4) Each party shall bear its own attorney's fees and other costs and expenses incurred in connection with any mediation or other dispute resolution proceeding.

(5) All proceedings shall be held in Nueces County, unless agreed otherwise by both parties.

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

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

#### XII. ASSIGNMENT

Licensee shall not ~~and shall have no power to~~ assign, sublet or transfer its interest in this Agreement without the prior written consent of the City.

#### XIII. NOTICES

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

To Licensee at: South Texas Water Authority  
Attn: Executive Director  
P.O. Box 1701  
Street address for express delivery:

To City at: Kingsville, Texas 78364  
City of Bishop  
Attn: City Secretary  
203 E. Main Street

Bishop, Texas 78343

Or to such other address which either party may so designate by sending notice as aforesaid.

XIV. EXECUTION IN COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be construed as one of the same instrument.

TERMS AND CONDITIONS ACCEPTED this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY:

City of Bishop

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

ATTEST:

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

[CITY'S SEAL]

LICENSEE:

South Texas Water Authority

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

ATTEST:

\_\_\_\_\_

Rudy Galvan, Secretary, Board of Directors

[AUTHORITY'S SEAL]

ACKNOWLEDGMENTS

STATE OF TEXAS           §  
                                          §  
COUNTY OF NUECES       §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by Tem Miller, the Mayor of the City of Bishop, Texas, a political subdivision of the State of Texas, on behalf of said city.

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

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

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by Kathleen Lowman, the Board President of South Texas Water Authority, a governmental agency, conservation and reclamation district and body politic and corporate, on behalf of said authority.

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

**mcgserrato@stwa.org**

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**From:** bishopcitysecretary@corpus.twcbc.com  
**Sent:** Wednesday, May 8, 2019 4:20 PM  
**To:** mcgserrato@stwa.org  
**Cc:** 'Tem Miller'; 'Albert Guajardo'; 'Nathan Garza'; 'Janie Dominguez'; 'Bill Boswell'; 'Gerald Benadum'; 'Bill Flickinger'; 'Robert Gaona'  
**Subject:** RE: Council meeting

Carola,

Your welcome and yes, Spectrum is working on their emails, but I will place copies of the email in their mail box.

Have a great rest of the day.

Cynthia

**From:** mcgserrato@stwa.org <mcgserrato@stwa.org>  
**Sent:** Wednesday, May 08, 2019 3:24 PM  
**To:** bishopcitysecretary@corpus.twcbc.com  
**Cc:** 'Tem Miller' <mayormiller-bishop@corpus.twcbc.com>; 'Albert Guajardo' <albertg@corpus.twcbc.com>; 'Nathan Garza' <nathang@corpus.twcbc.com>; 'Janie Dominguez' <janied@corpus.twcbc.com>; 'Bill Boswell' <billb@corpus.twcbc.com>; 'Gerald Benadum' <glbenadum@att.net>; 'Bill Flickinger' <bflickinger@wfaustin.com>; 'Robert Gaona' <robertg@corpus.twcbc.com>  
**Subject:** RE: Council meeting

Cynthia,

Thank-you for the update. I will pass your email along to the STWA Board.

BTW, my emails to Ms. Dominquez, Mr. Guajardo, and Mr. Gaona bounced back due to: "The user(s) account is temporarily over quota."

Carola

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

**From:** [bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com) <[bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com)>  
**Sent:** Wednesday, May 8, 2019 3:03 PM  
**To:** [mcgserrato@stwa.org](mailto:mcgserrato@stwa.org)  
**Cc:** 'Tem Miller' <[mayormiller-bishop@corpus.twcbc.com](mailto:mayormiller-bishop@corpus.twcbc.com)>; 'Albert Guajardo' <[albertg@corpus.twcbc.com](mailto:albertg@corpus.twcbc.com)>; 'Nathan Garza' <[nathang@corpus.twcbc.com](mailto:nathang@corpus.twcbc.com)>; 'Janie Dominguez' <[janied@corpus.twcbc.com](mailto:janied@corpus.twcbc.com)>; 'Bill Boswell' <[billb@corpus.twcbc.com](mailto:billb@corpus.twcbc.com)>; 'Gerald Benadum' <[glbenadum@att.net](mailto:glbenadum@att.net)>; 'Bill Flickinger' <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; 'Robert Gaona' <[robertg@corpus.twcbc.com](mailto:robertg@corpus.twcbc.com)>  
**Subject:** RE: Council meeting  
**Importance:** High

Good Afternoon Carola,

Yes, we do have a new Council Member Kabrina Lawrence. We will not have a runoff election, the City of Bishop elects by plurality vote and Council Member Garza won by 2 votes. I do know that Mr. Benadum has submitted revisions for Council to review and they are to get back with him about any changes they may have; once that has been done I am more than sure he will submit the revisions to you and Mr. Flickinger.

I spoke with Mayor Miller and our next meeting is scheduled for May 29<sup>th</sup> at 5pm. We will have a meeting on May 15<sup>th</sup>, but the only item will be canvassing our election.

I will let you know if anything changes are made with scheduling our Regular meeting.

Respectfully,

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

**From:** [mcgserrato@stwa.org](mailto:mcgserrato@stwa.org) <[mcgserrato@stwa.org](mailto:mcgserrato@stwa.org)>  
**Sent:** Wednesday, May 08, 2019 12:29 PM  
**To:** [bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com)  
**Cc:** Tem Miller <[mayormiller-bishop@corpus.twcbc.com](mailto:mayormiller-bishop@corpus.twcbc.com)>; Albert Guajardo <[albertg@corpus.twcbc.com](mailto:albertg@corpus.twcbc.com)>; Nathan Garza <[nathang@corpus.twcbc.com](mailto:nathang@corpus.twcbc.com)>; Janie Dominguez <[janied@corpus.twcbc.com](mailto:janied@corpus.twcbc.com)>; Bill Boswell <[billb@corpus.twcbc.com](mailto:billb@corpus.twcbc.com)>; Gerald Benadum <[gbenadum@att.net](mailto:gbenadum@att.net)>; Bill Flickinger <[bflickinger@wfaustin.com](mailto:bflickinger@wfaustin.com)>; Robert Gaona <[robertg@corpus.twcbc.com](mailto:robertg@corpus.twcbc.com)>  
**Subject:** RE: Council meeting

Good Afternoon Cynthia,

On Monday, I reported to the STWA Board that the City held its election this weekend and a new council member, Kabrina Lawrence was elected. The number of votes for Nathan Garza, Antonio Garcia and Eeron Frost was also reported. However, I am wondering if there will be in a runoff election since no one garnered 50% of the vote. The Corpus Christi Caller news article and Nueces County Clerk's website show the number of votes but neither report whether a runoff election will be required.

Also, do you know when the next City Council meeting will be held? Neither Mr. Flickinger or I have received any revised language from Mr. Benadum on the License Agreement. As you are aware from the City Council meeting on March 27<sup>th</sup>, revised language for the Bishop – STWA License Agreement as well as the Bishop – NWSC License Agreement were expected two weeks after that meeting. Approximately another month has now elapsed without any communication.

The STWA Board meets on May 28<sup>th</sup>. Staff will be developing the agenda packet the week of May 20<sup>th</sup> with the agenda being posted on May 24<sup>th</sup> and email notices going out that same day.

I have taken the liberty of copying the City Council, STWA's legal counsel, Bill Flickinger, and Mr. Gerald Benadum on this email.

Thanks,

Carola

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

**From:** [bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com) <[bishopcitysecretary@corpus.twcbc.com](mailto:bishopcitysecretary@corpus.twcbc.com)>  
**Sent:** Wednesday, April 24, 2019 12:21 PM  
**To:** Carola G. Serrato <[mcgserrato@stwa.org](mailto:mcgserrato@stwa.org)>  
**Subject:** Council meeting

Good afternoon Carola,

Just wanted to let you know, our meeting for tonight (4-24-19) has been canceled due to lack of quorum.

Respectfully,

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

ATTACHMENT 6

Water Supply Contract – City of Driscoll

## Memorandum

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

### Background:

The last memo presented to the Board on this matter was in March 2019. You will recall that the City has had two (2) elections. The first election was to fill a vacancy for the mayor position. The second election was to fill the vacancy for a council position when Councilman Mark Gonzalez was elected as mayor. Mr. Valls had indicated that the preference was to negotiate a contract when the City's Council did not have any vacancies.

In the interim, periodic emails were sent to Mr. John Valls, Interim City Administrator. I have not received any written response; however, Mr. Valls called on June 13<sup>th</sup>. He suggested that separate meetings with each council person may be a good approach. He indicated he would try to arrange a meeting with Mayor Gonzalez. As of today, there has not been any meeting scheduled. As a follow-up to our conversation, I have left a message requesting a meeting with the Mayor with the Driscoll City Hall office.

### Analysis:

My analysis of the situation has not changed. Legal counsel and I believe that it would be beneficial to meet with City representatives to review the contract and discuss any concerns the City may have.

### Staff Recommendation:

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

### Board Action:

Provide feedback to staff and legal counsel.

### Summarization:

STWA continues to make a good faith effort to negotiate a contract with the City.

ATTACHMENT 7

Resolution 19-36

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 20, 2019  
Re: Approving Annexation – Nemeccio Salgado and Delia Rodriguez, Tract One – H, The Ranch  
Subdivision – Resolution 19-36

Background:

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

Analysis:

As the Board is aware, this is a two-step process. The first step sets the time and date for the public hearing and authorizes publication of the required notice. After the public hearing, the Board considers a resolution approving the annexation.

Staff Recommendation:

Adopt Resolution 19-36.

Board Action:

Determine whether to adopt Resolution 19-36.

Summarization:

Approving the annexation provides uniformity between all NWSC members.

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

STATE OF TEXAS :  
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

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

[Signatures and Acknowledgement on following page.]

EXECUTED this 14 day of May, 2019.

Nemecio Salgado  
Mr. Nemecio Salgado

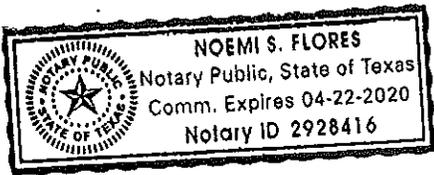
Delia M. Rodriguez  
Ms. Delia Rodriguez

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Kleberg

Subscribed and sworn to before me Mr. Nemecio Salgado on this the 14 day of May, 2019.



Noemi S. Flores  
Notary Public

My Commission Expires: 4/22/20

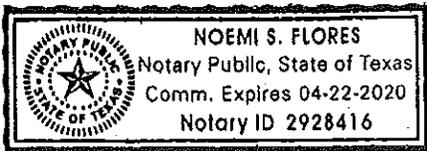
NOTARY SEAL

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Kleberg

Subscribed and sworn to before me Ms. Delia Rodriguez on this the 14 day of May, 2019.



Noemi S. Flores  
Notary Public

My Commission Expires: 4/22/20

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

Tract One-H (1-H), The Ranch in Nueces County, Texas, being a tract of land containing 2.62 acres conveyed October 20, 1982 from V. I. Schimmel, a feme sole, to John S. McGregor and C. C. Speed as recorded in Volume 1840, page 1017 of the Deed Records of Nueces County, Texas, and all being out of the Casa Blanca Grant and being more particularly described by metes and bounds in Exhibit "A" on the Warranty Deed with Vendor's Lien recorded under Document No. 1996046568 of the Official Record of Nueces County, Texas.



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 25th day June, 2019.

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Rudy Galvan, Jr., Secretary  
Board of Directors

---

Kathleen Lowman, President  
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 19-36

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.

-----

ATTACHMENT 8

Resolution 19-37

Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 20, 2019  
Re: Resolution Approving Annexation – Oscar B. and Jacqueline Gonzalez, Tract Seven – H, The Ranch  
Subdivision – Resolution 19-37

Background:

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

Analysis:

As the Board is aware, this is a two-step process. The first step sets the time and date for the public hearing and authorizes publication of the required notice. After the public hearing, the Board considers a resolution approving the annexation.

Staff Recommendation:

Adopt Resolution 19-37.

Board Action:

Determine whether to adopt Resolution 19-37.

Summarization:

Approving the annexation provides uniformity between all NWSC members.

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

STATE OF TEXAS :  
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

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

[Signatures and Acknowledgement on following page.]

EXECUTED this 22nd day of May, 2019.

Oscar B. Gonzalez  
Oscar B. Gonzalez

Jacqueline Gonzalez  
Jacqueline Gonzalez

ACKNOWLEDGEMENT

STATE OF TEXAS

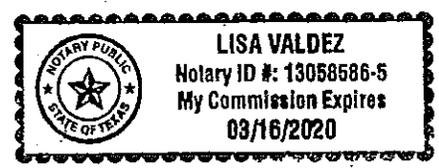
COUNTY of Nueces

Subscribed and sworn to before me Oscar B. Gonzalez on this the 22nd day of May, 2019.

[Signature]  
Notary Public

My Commission Expires: 3/16/2020

NOTARY SEAL



ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Jacqueline Gonzalez on this the 22nd day of May, 2019.

[Signature]  
Notary Public

My Commission Expires: 3/16/2020

NOTARY SEAL

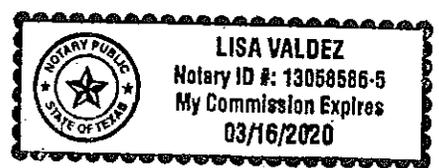


Exhibit "A"

To

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

Property Description:

Tract 7-H, The Ranch, Nueces County, Texas, being a tract of land containing 1.31 acres, more or less, and being out of that 238.79 acres conveyed October 20, 1982 from V. I. Schimmel, a feme sole, to John S. McGregor and C. C. Speed as recorded in Volume 1840, page 1017 of the Deed Records of Nueces County, Texas, and all being out of The Casa Blanca Grant, being more particularly described hereof by metes and bounds shown on Exhibit "A" of the Warranty Deed recorded under Document No. 1998025266 of the Official Records of Nueces County, Texas.



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 25th day June, 2019.

---

Rudy Galvan, Jr., Secretary  
Board of Directors

---

Kathleen Lowman, President  
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 19-37

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.

-----

ATTACHMENT 9

Annexation Petition – Stephanie Lynn Ramirez

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 21, 2019  
Re: Annexation Petition – Stephanie Lynn Ramirez, Tract Nine – H, The Ranch Subdivision – Set Time/Date for Public Hearing – Resolution 19-38

### Background:

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

### Analysis:

This item has been placed on the agenda in anticipation that Ms. Ramirez will provide the signed petition on Monday, June 24<sup>th</sup>. If the petition is received after the Board meeting, the schedule will be delayed by one (1) month. Once received, however, it will bring the total to thirteen (13) property owners that have filed an annexation petition. As the Board is aware, this is a two-step process. The first step sets the time and date for the public hearing and authorizes publication of the required notice. The public hearing will be prior to the July 30<sup>th</sup> Board meeting.

### Staff Recommendation:

Adopt Resolution 19-38.

### Board Action:

Determine whether to adopt Resolution 19-38.

### Summarization:

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

ATTACHMENT 10

Resolution 19-38

SOUTH TEXAS WATER AUTHORITY

Resolution 19-38

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

WHEREAS, Stephanie Lynn Ramirez (Petitioner), has filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of her property into the South Texas Water Authority in order to allow water service to her 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 July 31, 2019 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on July 31, 2019 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 25th day of June, 2019.

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

ATTEST:

\_\_\_\_\_  
RUDY GALVAN, JR., 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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Stephanie Lynn Ramirez

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of \_\_\_\_\_

Subscribed and sworn to before me \_\_\_\_\_ Stephanie Lynn Ramirez \_\_\_\_\_ on this the  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

NOTARY SEAL

Exhibit "A"

To

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

Property Description

Tract Nine-H (9-H), The Ranch, being a 1.31 acre tract of land, being the same 1.31 acre tract conveyed from Bryce Peters Financial Corp. to Wayne De La Garza by deed recorded in Document No. 2003023163 of the Official Public Records of Nueces County, Texas; also being out of a 238.79 acres tract of land described in deed recorded in Volume 1840, page 1017 of the deed records of Nueces County, Texas; said 1.31 acre tract is Lot 9 out of The Ranch Subdivision (unrecorded), also being out of the MANTOR BRIGGS & KUYKENDALL SUBDIVISION as shown on map recorded in Volume 2, Page 57 of the map records of Nueces County Texas; said 1.31 acre tract is comprised of a portion of the "CASA BLANCA" Juan Jose De La Garza Montemayor, Et Al. Survey, Abstract 221, is situated in Nueces County, Texas approximately 8.5 miles northwest town of Banquete, and is described by metes and bounds in Exhibit "A" of the Warranty Deed recorded under Document No. 2016000076 of the Official 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 July 30, 2019 at 5:30 p.m. with respect to the Petition filed by Stephanie Lynn Ramirez for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 25th day of June, 2019.

Kathleen Lowman, President  
Board of Directors  
South Texas Water Authority

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

Tract 9-H (9-H), The Ranch, being a 1.31 acre tract of land, being the same 1.31 acre tract conveyed from Bryce Peters Financial Corp. to Wayne De La Garza by deed recorded in Document No. 2003023163 of the Official Public Records of Nueces County, Texas; also being out of a 238.79 acre tract of land described in deed recorded in Volume 1840, Page 1017 of the Deed Records of Nueces County, Texas; said 1.31 acre tract is Lot 9 out of The Ranch Subdivision (unrecorded), also being out of the MANTOR BRIGGS & KUYKENDALL SUBDIVISION as shown on map recorded in Volume 2, Page 57 of the map records of Nueces County Texas; said 1.31 acre tract is comprised of a portion of the "CASA BLANCA" Juan Jose De La Garza Montemayor, Et Al. Survey, Abstract 221, is situated in Nueces County, Texas approximately 8.5 miles northwest town of Banquete, and is described by metes and bounds in Exhibit "A" of the Warranty Deed recorded under Document No. 2016000076 of the Official Records of Nueces County, Texas.

ATTACHMENT 11

NewGen Strategies and Solutions Proposal

## Memorandum

To: South Texas Water Authority Board of Directors  
From: Carola G. Serrato, Executive Director  
Date: June 21, 2019  
Re: NewGen Strategies and Solutions Consultant Services Associated with the City of Corpus Christi Annual Rate "true-up"

### Background:

The Board will recall that the Settlement Agreement with the City of Corpus Christi provides for a review of the City's rate model as well as a true-up of the City's rates in the event the City has either over- or under- charged its wholesale customers including STWA, the San Pat MWD and the Nueces County Water Control and Improvement District #4.

In the past, STWA and the other two (2) entities have shared the consultant's cost to review the model and analyze the true-up. Most recently, STWA and NCWCID#4 have shared the cost of the NewGen Strategies. At this time, the City of Corpus Christi staff has been contacted (see enclosed email) and an inquiry has been made regarding when to expect the City's updated rate model. The Board will recall that the City has experienced numerous problems with a new billing system. However, as mentioned in the email, staff is hoping that there will not be the same delay as last year. The Board will also recall that the City has adopted a schedule of changing their rates to become effective on January 1<sup>st</sup> rather than on Day 1 of a new fiscal year.

### Analysis:

Staff has contacted Chris Ekrut with NewGen Strategies regarding their services associated with the City's rate model. Mr. Ekrut has provided a proposal in the amount of \$3,000. This is the same cost as last year and, as before, Mr. Ekrut has indicated the cost will be shared with NCWCID #4 if that entity seeks NewGen's services. Jo Ella Wagner, Finance Manager, and I have been pleased with NewGen's services. The Board will recall that the previous consultant increased his fees to \$400 per hour.

### Staff Recommendation:

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

### Board Action:

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

### Summarization:

The review and true-up is intended to ensure that the City's proposed allocated and budgeted expenses are applied properly to STWA as a wholesale purchaser from the City. The true-up should also serve to recoup any overcharges or undercharges. It is important to note, however, that the true-up will always have a one-year lag.



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

June 21, 2019

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

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

Dear Ms. Serrato:

Based on our prior conversations, NewGen Strategies and Solutions, LLC ("NewGen") is pleased to propose our assistance to the South Texas Water Authority ("STWA") in reviewing the FY 2020 Corpus Christi ("City") Rate Model, Budget, and True-up Calculations as prepared specific to the rate to be charged to STWA. Based on our understanding of the requested engagement, we propose that the scope of services for this review include the following:

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

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

Mr. Ekrut will coordinate and will work at the direction of Ms. Serrato and/or her designee during the course of the engagement. Given that the exact level of effort for the engagement is not known, NewGen proposes to bill STWA based on time incurred at our then applicable hourly billing rates as well as expenses based on actual cost incurred. **However, the services provided by NewGen will not exceed \$3,000.00 without the express written permission of STWA.** Please note that NewGen may also be assisting the Nueces County Water Control and Improvement District No. 4 in the same review of the Corpus Christi models and calculations. All time charges will be split equally between STWA and NCWCID No. 4, but charges to each entity will not exceed \$3,000 without written permission.

NewGen invoices its clients monthly for actual services performed plus out-of-pocket expenses incurred at cost. Payment is due within thirty (30) days of the invoice date. Our standard hourly billing rates, which are effective through December 31, 2018, are as follows:

**NewGen Strategies & Solutions  
2019 Billing Rates**

Position	Billing Rate
GM	\$305
President	\$265 - \$305
Director/Executive Consultant/Vice President	\$195 - \$305
Senior Consultant	\$165 - \$195
Staff Consultant	\$150 - \$165
Analyst	\$120 - \$150
Administrative Assistant	\$90

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

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

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

NewGen looks forward to assisting STWA in this engagement and appreciates this opportunity. If this letter is in agreement with your understanding of the scope of services to be provided, and our proposal terms and conditions are acceptable, please execute one copy and return to our Richardson, Texas office. If you have any questions, please feel free to contact Mr. Chris Ekrut at 972.232.2234 or via email at [cekrut@newgenstrategies.net](mailto:cekrut@newgenstrategies.net).

Ms. Carola Serrato  
June 21, 2019  
Page 3

Very truly yours,  
**NewGen Strategies and Solutions, LLC**



Chris Ekrut  
Director, Environmental Practice

**South Texas Water Authority**

Signed \_\_\_\_\_

Printed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_