

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Brandon Barrera, President
DATE: July 26, 2021
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

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

Tuesday, August 3, 2021
5:30 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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

Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
 - a. Jeremy and Chavalan Carpenter, Tract 31, Tierra Verde Unit 2 in Nueces County, Texas
3. Public Comment
4. Adjournment.

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

BB/CGS/fdl

This meeting notice was posted on STWA's website, www.stwa.org, and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 3:15 am on July 30, 2021
Frances De Leon
Assistant Secretary

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Brandon Barrera, President
DATE: July 26, 2021
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, August 3, 2021

5:35 p.m.

South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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

Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. Approval of Minutes. (Attachment 1)
4. Quarterly Report/Treasurer's Report/Payment of Bills. (Attachment 2)
5. Ratify and Confirm Board President's approval and execution of Management Services Contract with JMAR Management Consulting, LLC. (Attachment 3)
6. Authorizations for JMAR Management Consulting, LLC to act on behalf of South Texas Water Authority with respect to certain employee matters and certain other contracts and accounts.
7. Discussion with possible action on South Texas Water Authority Organizational Chart and job titles.
8. Review of 2021 Certified Appraisal Rolls for the Authority's district in Kleberg and Nueces Counties. (Attachment 4)

9. **Resolution 21-16.** Resolution adopting the appraisal roll for the South Texas Water Authority's district in Kleberg County for tax year 2021. (Attachment 5)
10. **Resolution 21-17.** Resolution adopting the appraisal roll for the South Texas Water Authority's district in Nueces County for tax year 2021. (Attachment 5)
11. Preliminary Fiscal Year 2022 Budget. (Attachment 6)
12. Proposed Fiscal Year 2022/Tax Year 2021 tax rate and authorization to publish notice of public hearing. (Attachment 7)
13. Nueces County project for construction of Banquete Pump Station to serve the Nueces County Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation.
 - Utility Conveyance Agreement(s) conveying facilities from Nueces County to South Texas Water Authority and Nueces Water Supply Corporation (Attachment 8)
14. NewGen Strategies & Solutions Proposal for Wholesale Water System Rate Study Update. (Attachment 9)
15. Wholesale Water Supply Contract with the City of Corpus Christi. (Attachment 10)
16. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities. (Attachment 11)
17. NewGen Strategies & Solutions Consultant Services Associated with the City of Corpus Christi Annual Rate "true-up." (Attachment 12)
18. February 2021 winter storm/freeze event. (Attachment 13)
19. Approval of Annexation of Certain Lands to the South Texas Water Authority.
 - a. Jeremy and Chavalan Carpenter, Tract 31, Tierra Verde Unit 2 in Nueces County, Texas. (Attachment 14)
20. **Resolution 21-18.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Jeremy and Chavalan Carpenter) (Attachment 15)
21. Authorization to sell 2009 Ford F-150 to highest bidder. (Attachment 16)
22. Vacation, Personal and Compensatory Leave Carryover. (Attachment 17)
23. Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2021. (Attachment 18)

24. Adjournment.

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

BB/CGS/fdl
Attachments

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices,
2302 East Sany Road, Kingsville, Texas at
3:15 p.m. on July 30, 2021
James De Juan
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
June 14, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Frances Garcia
Rudy Galvan
Kathleen Lowman
Patsy Rodgers
Angela Pena

Board Members Absent:

None

Staff Present:

Carola G. Serrato

Guests Present:

Baldemar Garcia,
RWSC
Donald Lundmark,
NWSC
Katherine B. Ray,
Ray Assoc., Inc.

1. Call to Order.

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

2. Citizen Comments.

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

3. Recruitment of Executive Director.

Ms. Ray reported to the Board that one of the five candidates had withdrawn from consideration as a result of being hired by a special utility district. She reviewed the Ranking Total Score information based on (1) the number of times a candidate was selected as the #1 pick, (2) the number of times a person is selected as #1 or #2 pick and (3) the number of times a person was in the top 3. Two candidates scored very close with the third candidate trailing by less than a five-point difference. The fourth candidate did not score as well.

When questioned about totals for all score sheets, Ms. Ray indicated that it appeared the scoring

was very subjective. Ms. Serrato commented that she was disappointed in the scoring of candidates with utility experience being lower than the candidate without actual utility experience. Ms. Ray reiterated that the scoring seemed subjective and that she had originally excluded that particular candidate since the individual did not have utility experience. However, she was asked to reinstate the candidate. Ms. Serrato clarified that the request was not from staff. Mr. Barrera indicated that he had made the request.

A question was asked about whether the candidates were required to have certain certifications and licenses. Ms. Serrato explained that a Tax Assessor/Collector certification and a minimum of a "C" Distribution license through the TCEQ would be best. She indicated that Jo Ella Wagner and Frances DeLeon had their Tax A/C certifications and certain field personnel had their "C" licenses. She added that the Board may want to make obtaining these licenses/certificates within a certain time frame as part of an employment contract.

Mr. Galvan commented that in some cases other skills and the ability to work with people can make up for lack of other knowledge. Ms. Garza commented that it was difficult to score the individuals based on their videos and answers to questions. She expressed a preference to meeting face to face with the candidates. Ms. Lowman agreed that the questions asked of the candidates may not have covered the type of information being sought by the Board. However, she also agreed that utility experience was a very important factor.

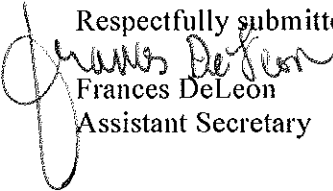
The Board revisited the Ranking Total Scores and considered the possibility of continuing with the screening process of three out of the four candidates. The subject of current employees applying for the position was broached. Ms. Serrato indicated she could provide additional details; however, she felt personnel matters warranted being discussed in a closed session.

The Board entered into Executive Session at 6:00 p.m. The Board returned to Open Session at 6:08 p.m. No action was taken during Executive Session.

After further discussion, a motion was made by Ms. Garza to proceed with the screening process and interviewing of all four (4) candidates and opening the position to current employees. Mr. Galvan seconded the motion. The motion passed on a seven to one vote.

13. Adjournment.

With no further business to discuss, the meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Frances DeLeon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Public Hearing Minutes
June 22, 2021

Board Members Present:

Brandon Barrera
Imelda Garza
Rudy Galvan, Jr.
Frances Garcia
Kathleen Lowman
Patsy Rodgers

Board Members Absent:

Jose Graveley
Angela Pena

Staff Present:

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

Guests Present:

None

1. Call to Order.

Mr. Brandon Barrera, Board President, called the Public Hearing of the STWA Board of Directors to order at 5:30 p.m.

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

- a. Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas

Ms. Serrato stated that the property owners approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries. Approval of the annexation petition enables the landowner to receive service and pay in-district rates to the Nueces Water Supply Corporation, and allows the property to become taxable. A resolution approving annexation will be presented at the Regular Board Meeting.

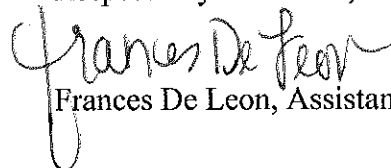
3. Public Comment.

Mr. Barrera called for public comment. No comments from the public were made.

4. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the Public Hearing at 5:35 p.m. Ms. Garza seconded and all voted in favor.

Respectfully submitted,


Frances De Leon, Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
June 22, 2021
Minutes

Board Members Present:

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

Board Members Absent:

Angela Pena

Staff Present:

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

Guests Present:

None

1. Call to Order.

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

2. Citizen Comments.

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

3. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the May 25, 2021 Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

Ms. Wagner provided copies of the Treasurer's Report. She gave a brief review of the reports but stated that there were some issues with the General Fund and Debt Service Fund Due to/Due from amounts which will need to be corrected. She added that she will email the corrected Treasurer's Report to the Board and will present it for approval at the next meeting. The following reports were presented:

Treasurer's Report for period ending May 31, 2021
Revenue Fund Income Statement for period ending May 31, 2021
Tax Fund Income Statement for period ending May 31, 2021
Special Services Income Statement for period ending May 31, 2021
STWA Revenue Fund Balance Sheet – May 31, 2021

STWA Regular Meeting Minutes

June 22, 2021

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

The following outstanding invoices were presented for Board approval:

- Willatt & Flickinger \$ 552.50
- Kleberg County Appraisal District \$ 5,696.04
- Nueces County Appraisal District \$ 2,626.00
- City of Corpus Christi \$ 116,001.68

A motion was made by Ms. Garza and seconded by Mr. Graveley to approve payment of the bills as presented. The motion carried.

5. Water District Truth in Taxation Notices, Effective Tax Rate Calculation, and Meeting/Hearing Schedule.

Ms. Serrato presented a proposed Truth in Taxation Meeting/Hearing Schedule for the Board's review in order to confirm that a quorum will be available for the necessary meetings and public hearing. She added that in order to avoid the expense of Nueces County sending out separate tax statements for STWA, they must receive STWA's tax information by the County's September 10th deadline. She reviewed the following schedule with the Board:

Date	Event	Action
June 22, 2021	Board Meeting	Agree on calendar & confirm quorums
July 26, 2021	CADs deliver rolls	Staff calculates ETR
August 3, 2021	Board Meeting	Board votes on proposed rate & sets hearing date/time, approves sending proposed budget to wholesale customers
August 4, 2021	Staff prep	Proposed budget is sent to wholesale customers for 30-day written comment period
Aug 5 – Sep 6	30-day comment period	Wholesale customers review & provide written comments on proposed budget
August 26 and 29, 2021	Publish newspaper notices	Publication occurs 7 days before hearing

September 7, 2021	Public Hearing followed by Board Meeting	Board adopts tax rates, water rates and Handling Charge
September 10, 2021	Nueces County Tax Collector Deadline	Failure to submit tax rates could result in STWA paying for separate tax bill mail-out

Ms. Serrato also reviewed forms provided by the Nueces County Tax Assessor/Collector's office including a 2021 Governing Body Information form. She stated that she used the Board members' email address assigned by staff and STWA mailing address on the form which will be made available on the Assessor/Collector's website. No changes to the schedule were requested. Mr. Graveley made a motion to approve submitting the forms to the Nueces County Tax Assessor/Collector's office. Ms. Rodgers seconded. All voted in favor.

6. Preliminary Fiscal Year 2022 Budget.

Ms. Serrato reviewed the preliminary Fiscal Year 2022 Budget. The preliminary budget is based on water sales of approximately 549 million gallons, the same Handling Charge and M&O tax rate as last year, an overall 4.9% salary adjustment, Executive Director salary of \$125,000 and \$72,000 in capital items. She explained that information on several essential elements has not been received and the budget will be updated as this information becomes available. An updated budget will be presented at the next regular meeting and she will request approval to send the draft budget to the Authority's wholesale customers. No changes were requested by the Board.

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

Ms. Serrato stated that training on the control system and chlorine/LAS building and controls is scheduled for June 24th and she hopes that the punch list items will be completed by that time. She had nothing further to report.

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

Ms. Serrato reported that Ms. Ray believes that the background checks will be completed by the end of June and it possible that interviews can begin around July 12th. Mr. Barrera asked if the Board can begin meeting the candidates in person while the screening process continues and Ms. Serrato responded that she will contact Ms. Ray about that. Ms. Serrato added that Jo Ella Wagner intends to apply for the position and will be submitting a cover letter and resumé this week. Ms. Lowman stated that experience working with a utility is needed. Ms. Rodgers also commented that this person would need to be familiar with how to deal with TCEQ issues. Ms. Serrato then expressed her preference that new, non-urgent projects be put off until the new executive director is hired. She had nothing further to report and no action was taken by the Board.

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

Ms. Serrato stated that there has been no contact with the City and she had nothing to report.

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

Ms. Serrato reported that the NCWC&ID#5 board has no June meetings scheduled so they have not taken action on the Water Supply Contract and the Maintenance and Operations Contract. No action was taken by the Board.

11. NewGen Strategies & Solutions Proposal for Wholesale Water System Rate Study Update.

Ms. Serrato stated that she requested a proposal from NewGen Strategies to revisit the Incremental Increase Policy and received a quote in the amount of \$7,500. She stated that she does not recommend approval of the proposal but will request another proposal to review the City of Corpus Christi's rate model. The Board took no action.

12. February 2021 winter storm/freeze event.

Ms. Serrato reported that several claim checks have been received on the Nueces Water Supply Corporation's claims and another \$5,500 is expected soon. Some of the payments will need to be reimbursed to STWA. She will continue to provide updates to the Board.

13. Approval of Annexation of Certain Lands to the South Texas Water Authority.
a. Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas.

Ms. Serrato stated that approval of Resolution 21-13 finalizes the annexation process for this property and she recommended adoption of the resolution.

14. Resolution 21-13. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Bobbie Villarreal and Ray Villarreal).

Mr. Galvan made a motion to adopt Resolution 21-13. The motion was seconded by Ms. Lowman and passed unanimously.

15. FY 2021 Purchase.

Ms. Serrato reported that vehicle deliveries have been delayed due to shortages of certain mechanical parts and the truck approved by the Board as part of the FY 21 budget has not been delivered by Caldwell Chevrolet. Delivery is expected to be the end of 2021 or beginning of 2022 and the truck will be a 2022 model instead of 2021. It has not been confirmed that the price will be the same as what was quoted in the awarded bid. Mr. Flickinger has advised that STWA can cancel the order. Ms. Serrato stated that the Board can cancel the order and solicit

bids again or wait for the 2022 model. After discussion, Ms. Lowman made a motion to leave the order in place. Ms. Garza seconded. All voted in favor.

16. Board of Directors Training.

The Board discussed the various available training options. Mr. Barrera stated that he is interested in taking training even if it is online. Ms. Serrato stated that she would forward information for available training and registration to the Board by email.

17. Nomination of candidate for the Kleberg County Appraisal District Board of Directors.

Ms. Serrato stated that the Kleberg County Appraisal District sent information requesting a nomination from STWA for the KCAD Board of Directors. She recommended that the Board decide on a candidate for the nomination. Mr. Barrera nominated Mr. Graveley. No other nominations were made.

18. Resolution 21-14. Resolution submitting nomination for candidate for positions on the Board of Directors of the Kleberg County Appraisal District.

Mr. Galvan made a motion to adopt Resolution 21-14 submitting the name of Jose Graveley as STWA's nominee for the Kleberg County Appraisal District Board of Directors. Ms. Garcia seconded the motion. All voted in favor.

19. STWA Cybersecurity.

Mr. Barrera stated that in light of recent ransomware attacks he asked to place this topic on the agenda in order to discuss and ensure that proper measures are being taken to protect the Authority from attacks. Ms. Serrato explained that High Touch Technologies has been contracted to provide IT management services and added that they can be contacted about additional upgrades if the Board feels it is necessary. No action was taken by the Board.

20. Discussion with possible action on adding board members to STWA insurance.

Mr. Barrera stated that he requested this item be placed on the agenda but would like it removed. There was no discussion and no action was taken.

21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Jeremy and Chavalan Carpenter, Tract 31, Tierra Verde Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries and filed an Annexation Petition which is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 21-15 setting the Public Hearing on August 3, 2021 at 5:30 p.m. at the STWA conference room.

22. **Resolution 21-15. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Jeremy and Chavalan Carpenter).**

Ms. Lowman made a motion to adopt Resolutions 21-15 setting the Public Hearing on August 3, 2021 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Ms. Rodgers and passed unanimously.

23. Adjournment.

With no further business to discuss, Ms. Lowman made a motion to adjourn the meeting at 7:00 p.m. Mr. Graveley seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
July 7, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Rudy Galvan, Jr.
Frances Garcia
Kathleen Lowman
Patsy Rodgers
Angela Pena (by Zoom)

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon

Guests Present:

Baldemar Garcia, RWSC
Donald Lundmark, NWSC
Katherine Ray (by Zoom)
Kim Davis

1. Call to Order.

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

2. Citizen Comments.

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

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

Ms. Serrato stated that Finance Manager Jo Ella Wagner applied for the executive director position and asked whether the Board wanted to interview Ms. Wagner. Ms. Garza made a motion to arrange an interview with Ms. Wagner. Mr. Galvan seconded. All voted in favor. Ms. Lowman made a motion to not require Ms. Wagner to submit a one-way video interview, Ms. Garza seconded. All voted in favor.

Ms. Katherine Ray, Ray Associates, then began the interview for applicant Kim Davis. The process included 19 questions. Ms. Ray read each question and provided an opportunity for Ms. Davis to respond and for the members of the hiring committee to ask follow-up questions. Ms. Davis indicated that if selected, she would relocate to an area within about a 45-minute drive to STWA and that she is available to start as soon as August 1st.

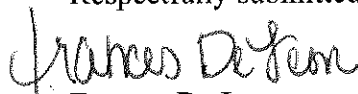
Among the additional questions posed to Ms. Davis were how long she worked at her most recent job, whether she handled any termination of employees, and the size of the annual budget at her last job.

The Board discussed scheduling of the remaining interviews. Ms. Ray said she would work on getting the remaining candidates scheduled for next week and the Board agreed that two interviews could be held on the same day.

4. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 6:28 p.m. Mr. Galvan seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
July 13, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Rudy Galvan, Jr. (by Zoom)
Frances Garcia
Kathleen Lowman
Patsy Rodgers
Angela Pena (by Zoom)
Joe Morales

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

Guests Present:

Baldemar Garcia, RWSC
Donald Lundmark, NWSC
Katherine Ray (by Zoom)
John Marez

1. Call to Order.

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

2. Citizen Comments.

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

3. New Board member's oaths of office.

Ms. Wagner administered the Oath of Office to Ms. Kathleen Lowman who was re-appointed to Place 8 by the Kleberg County Commissioner's Court and to Mr. Joe Morales who was appointed to Place 4 by the Nueces County Commissioner's Court.

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

Ms. Katherine Ray, Ray Associates, then began the interview for applicant Jo Ella Wagner. Ms. Ray first asked Ms. Wagner five introductory questions in place of the video interview that the other applicants submitted followed by the additional 19 interview questions. Ms. Ray read each question and provided an opportunity for Ms. Wagner to respond and for the members of the hiring committee to ask follow-up questions. Ms. Wagner indicated that if selected, she is available to start when needed.

STWA Special Meeting Minutes

July 13, 2021

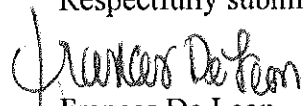
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Ms. Ray then began the interview for applicant John Marez. The interview consisted of the same 19 interview questions. The Board followed up with questions regarding how Mr. Marez intended to handle his current position as Nueces County Commissioner if selected as executive director. He responded that he intended to phase out of the position but would remain available for STWA responsibilities.

5. Adjournment.

With no further business to discuss, Ms. Lowman made a motion to adjourn the meeting at 8:01 p.m. Mr. Morales seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
July 14, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Rudy Galvan, Jr.
Frances Garcia
Kathleen Lowman
Patsy Rodgers
Angela Pena (by Zoom)
Joe Morales

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon

Guests Present:

Baldemar Garcia, RWSC
Donald Lundmark, NWSC
Katherine Ray (by Zoom)
LJ Francis

1. Call to Order.

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

2. Citizen Comments.

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

3. New Board member's oaths of office.

No oaths of office were administered.

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

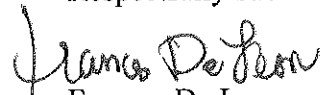
Ms. Katherine Ray, Ray Associates, conducted the interview for applicant LJ Francis. The process included 19 questions. Ms. Ray read each question and provided an opportunity for Mr. Francis to respond and for the members of the hiring committee to ask follow-up questions. Mr. Francis indicated that if selected, he is available to begin work other than for some time needed to help a family member move. He also noted that he lives about a 30-minute drive away from Kingsville and has accommodations in case an emergency requires that he remain in Kingsville.

Ms. Ray informed the committee that the final applicant confirmed his interview for 5:30 pm on July 15, 2021.

5. Adjournment.

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

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
July 15, 2021
Minutes

Board Members Present:

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

Board Members Absent:

Angela Pena

Staff Present:

Carola G. Serrato
Frances De Leon

Guests Present:

Baldemar Garcia, RWSC
Donald Lundmark, NWSC
Katherine Ray (by Zoom)
Raul Rivas

1. Call to Order.

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

2. Citizen Comments.

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

3. New Board member's oaths of office.

No oaths of office were administered.

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

Ms. Katherine Ray, Ray Associates, conducted the interview for applicant Raul Rivas. The process included 19 questions. Ms. Ray read each question and provided an opportunity for Mr. Rivas to respond and for the members of the hiring committee to ask follow-up questions. Mr. Rivas stated that although he is currently working towards a PhD, there is no class or work that would interfere with availability for STWA.

After Mr. Rivas exited the office, Mr. Barrera made a motion to hire John Marez for the executive director position and to have Mr. Barrera, Mr. Graveley and Ms. Garza negotiate a contract in order to get him started as soon as possible. Ms. Garcia seconded. The motion passed on 6 to 2 vote with Ms. Lowman and Mr. Morales casting the dissenting votes. Ms. Ray pointed out that the selection seemed out of order since the verification of references has not

STWA Special Meeting Minutes

July 15, 2021

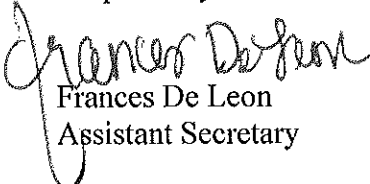
Page 2

been completed. She added that the background and credit checks revealed nothing negative other than Mr. Rivas' driver's license being expired as of December.

5. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 6:27 p.m. Ms. Garza seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Quarterly Report/Treasurer's Report/Payment of Bills

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

**Staff was hoping to have it in the
Board packet this month;
however, time did not allow for
the completion of the Treasurer's
Report.**

ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-20	\$0.426386	\$2.5122	\$2.9385	\$0.426386	\$2.510093	\$2.936479	-\$0.0021
Nov-20	\$0.426386	\$2.5135	\$2.9399	\$0.426386	\$2.513835	\$2.940221	\$0.0003
Dec-20	\$0.426386	\$2.5138	\$2.9401	\$0.426386	\$2.527490	\$2.953876	\$0.0137
Jan-21	\$0.426386	\$2.6249	\$3.0513	\$0.426386	\$2.631209	\$3.057595	\$0.0063
Feb-21	\$0.426386	\$2.6271	\$3.0535	\$0.426386	\$1.789671	\$2.216057	-\$0.8374
Mar-21	\$0.426386	\$2.6254	\$3.0518	\$0.426386	\$2.625722	\$3.052108	\$0.0003
Apr-21	\$0.426386	\$2.6247	\$3.0511	\$0.426386	\$2.623022	\$3.049408	-\$0.0017
May-21	\$0.426386	\$2.6233	\$3.0497	\$0.426386	\$2.624472	\$3.050858	\$0.0012
Jun-21	\$0.426386	\$2.6239	\$3.0503	\$0.426386	\$2.623123	\$3.049509	-\$0.0007
Jul-21	\$0.426386	\$2.6212	\$3.0476	\$0.426386		\$0.426386	-\$2.6212
Aug-21	\$0.426386	\$2.6206	\$3.0470	\$0.426386		\$0.426386	-\$2.6206
Sep-21	\$0.426386	\$2.6232	\$3.0496	\$0.426386		\$0.426386	-\$2.6232
Avg Cost	\$0.426386	\$2.5961	\$3.0225	\$0.426386	\$2.496515	\$2.922901	-\$0.0996

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

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All Customers				NWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-20	43,985,423	54,520,780	10,535,357	Oct-20	13,409,136	16,272,510	2,863,374
Nov-20	40,781,789	45,588,200	4,806,411	Nov-20	11,938,724	16,094,900	4,156,176
Dec-20	40,241,637	41,449,800	1,208,163	Dec-20	11,858,380	14,504,350	2,645,970
Jan-21	42,096,374	36,679,410	-5,416,964	Jan-21	12,731,444	12,833,310	101,866
Feb-21	37,586,040	45,205,310	7,619,270	Feb-21	11,286,148	15,178,920	3,892,772
Mar-21	40,974,824	41,914,040	939,216	Mar-21	12,087,707	14,009,290	1,921,583
Apr-21	42,699,878	46,729,430	4,029,552	Apr-21	12,566,915	14,402,820	1,835,905
May-21	46,406,955	48,163,120	1,756,165	May-21	14,220,525	13,017,560	-1,202,965
Jun-21	44,756,612	49,269,780	4,513,168	Jun-21	13,875,887	13,331,527	-544,360
Jul-21	53,195,923	0		Jul-21	16,689,681	0	
Aug-21	55,569,452	0		Aug-21	16,858,313	0	
Sep-21	46,458,380	0		Sep-21	14,238,446	0	
TOTAL	534,753,285	409,519,870	29,990,339	TOTAL	161,761,306	129,645,187	15,670,321

Kingsville				RWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-20	10,746,844	11,688,000	941,156	Oct-20	8,399,400	9,046,000	646,600
Nov-20	10,746,844	4,723,000	-6,023,844	Nov-20	7,425,200	9,351,000	1,925,800
Dec-20	10,746,844	6,184,000	-4,562,844	Dec-20	7,360,600	8,234,000	873,400
Jan-21	10,746,844	5,026,000	-5,720,844	Jan-21	7,556,200	7,936,000	379,800
Feb-21	10,746,844	6,457,000	-4,289,844	Feb-21	6,294,000	9,062,000	2,768,000
Mar-21	10,746,844	6,047,000	-4,699,844	Mar-21	7,591,600	10,178,000	2,586,400
Apr-21	10,746,844	9,121,000	-1,625,844	Apr-21	8,177,600	9,209,000	1,031,400
May-21	10,746,844	12,471,000	1,724,156	May-21	8,927,600	7,225,000	-1,702,600
Jun-21	10,746,844	13,783,000	3,036,156	Jun-21	8,240,000	7,540,000	-700,000
Jul-21	10,746,844	0		Jul-21	10,438,400	0	
Aug-21	10,746,844	0		Aug-21	11,457,200	0	
Sep-21	10,746,844	0		Sep-21	9,424,800	0	
TOTAL	128,962,123	75,500,000	-21,221,592	TOTAL	101,292,600	77,781,000	7,808,800

Bishop	Budgeted	Actual	Difference
Oct-20	3,976,000	10,079,000	6,103,000
Nov-20	3,715,000	8,117,000	4,402,000
Dec-20	3,289,200	6,128,000	2,838,800
Jan-21	3,684,200	4,137,000	452,800
Feb-21	2,578,200	7,640,000	5,061,800
Mar-21	3,347,267	4,707,000	1,359,733
Apr-21	3,511,822	6,772,000	3,260,178
May-21	4,082,000	8,385,000	4,303,000
Jun-21	3,568,200	8,606,000	5,037,800
Jul-21	5,725,400	0	
Aug-21	6,963,800	0	
Sep-21	3,308,200	0	
TOTAL	47,749,289	64,571,000	32,819,111

Banquete	Budgeted	Actual	Difference
Oct-20	2,050,176	1,634,680	-415,496
Nov-20	1,972,674	1,985,700	13,026
Dec-20	1,987,012	1,784,340	-202,672
Jan-21	2,034,876	1,991,150	-43,726
Feb-21	1,879,532	1,402,100	-477,432
Mar-21	1,901,436	1,632,890	-268,546
Apr-21	1,998,254	1,896,060	-102,194
May-21	2,096,482	1,913,610	-182,872
Jun-21	1,997,954	1,411,500	-586,454
Jul-21	2,351,988	0	
Aug-21	2,482,388	0	
Sep-21	2,073,826	0	
TOTAL	24,826,598	15,652,030	-2,266,366

Driscoll	Budgeted	Actual	Difference
Oct-20	3,271,571	3,711,000	439,429
Nov-20	3,126,325	3,275,000	148,675
Dec-20	3,053,569	2,920,000	-133,569
Jan-21	3,399,680	3,113,000	-286,680
Feb-21	3,065,060	3,846,000	780,940
Mar-21	3,394,360	3,078,000	-316,360
Apr-21	3,518,440	2,973,000	-545,440
May-21	3,834,880	2,877,000	-957,880
Jun-21	3,771,200	2,777,000	-994,200
Jul-21	4,532,200	0	
Aug-21	4,448,313	0	
Sep-21	4,373,140	0	
TOTAL	43,788,739	28,570,000	-1,865,085

Agua Dulce	Budgeted	Actual	Difference
Oct-20	2,132,296	2,089,590	-42,706
Nov-20	1,857,022	2,041,600	184,578
Dec-20	1,946,032	1,695,110	-250,922
Jan-21	1,943,130	1,642,950	-300,180
Feb-21	1,736,256	1,619,290	-116,966
Mar-21	1,905,611	2,261,860	356,249
Apr-21	2,180,004	2,355,550	175,546
May-21	2,498,624	2,273,950	-224,674
Jun-21	2,556,528	1,820,753	-735,775
Jul-21	2,711,410	0	
Aug-21	2,612,594	0	
Sep-21	2,293,124	0	
TOTAL	26,372,631	17,800,653	-954,850

Kingsville Bell Chart Values

	Target Volume	Actual Volume	Difference
Oct-20	12,523,440	11,688,000	-835,440
Nov-20	7,389,359	4,723,000	-2,666,359
Dec-20	5,905,073	6,184,000	278,927
Jan-21	4,650,000	5,026,000	376,000
Feb-21	6,784,078	6,457,000	-327,078
Mar-21	8,352,855	6,047,000	-2,305,855
Apr-21	10,965,223	9,121,000	-1,844,223
May-21	12,570,213	12,471,000	-99,213
Jun-21	14,329,855	13,783,000	-546,855
Jul-21	15,813,135	0	
Aug-21	16,015,817	0	
Sep-21	13,952,654	0	
TOTAL	129,251,702	75,500,000	-7,970,096

Net Revenue per Thousand (1,000) Gallons

Kingsville					NWSC			
	Actual	Net Rev	Per 1000g			Actual	Net Rev	Per 1000g
Oct-20	11,688,000	\$2,568.97	\$0.2198	2 months	Oct-20	16,272,510	\$5,046.94	\$0.3102
Nov-20	4,723,000	\$0.00	\$0.0000		Nov-20	16,094,900	\$5,707.73	\$0.3546
Dec-20	6,184,000	\$1,682.00	\$0.2720		Dec-20	14,504,350	\$4,415.41	\$0.3044
Jan-21	5,026,000	\$1,187.40	\$0.2363		Jan-21	12,833,310	\$3,922.18	\$0.3056
Feb-21	6,457,000	\$1,864.12	\$0.2887		Feb-21	15,178,920	\$4,395.42	\$0.2896
Mar-21	6,047,000	\$1,496.08	\$0.2474		Mar-21	14,009,290	\$4,468.66	\$0.3190
Apr-21	9,121,000	\$2,900.37	\$0.3180		Apr-21	14,402,820	\$4,616.62	\$0.3205
May-21	12,471,000	\$4,240.70	\$0.3400		May-21	13,017,560	\$3,731.43	\$0.2866
Jun-21	13,783,000	\$4,623.17	\$0.3354		Jun-21	13,331,527	\$4,073.62	\$0.3056
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	75,500,000	\$20,562.81	\$0.2724		TOTAL	129,645,187	\$40,378.01	\$0.3115

Bishop					RWSC			
	Actual	Net Rev	Per 1000g			Actual	Net Rev	Per 1000g
Oct-20	10,079,000	\$3,358.01	\$0.3332		Oct-20	9,046,000	\$2,586.82	\$0.2860
Nov-20	8,117,000	\$2,444.13	\$0.3011		Nov-20	9,351,000	\$2,743.53	\$0.2934
Dec-20	6,128,000	\$1,618.44	\$0.2641		Dec-20	8,234,000	\$2,157.61	\$0.2620
Jan-21	4,137,000	\$914.27	\$0.2210		Jan-21	7,936,000	\$1,959.50	\$0.2469
Feb-21	7,640,000	\$1,861.08	\$0.2436		Feb-21	9,062,000	\$2,491.62	\$0.2750
Mar-21	4,707,000	\$1,463.81	\$0.3110		Mar-21	10,178,000	\$2,973.23	\$0.2921
Apr-21	6,772,000	\$1,767.37	\$0.2610		Apr-21	9,209,000	\$2,506.14	\$0.2721
May-21	8,385,000	\$2,557.66	\$0.3050		May-21	7,225,000	\$1,764.19	\$0.2442
Jun-21	8,606,000	\$2,832.60	\$0.3291		Jun-21	7,540,000	\$1,950.87	\$0.2587
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	64,571,000	\$18,817.37	\$0.2914		TOTAL	77,781,000	\$21,133.51	\$0.2717

Driscoll					Banquete			
	Actual	Net Rev	Per 1000g			Actual	Net Rev	Per 1000g
Oct-20	3,711,000	\$1,036.83	\$0.2794		Oct-20	1,634,680	\$231.06	\$0.1413
Nov-20	3,275,000	\$937.05	\$0.2861		Nov-20	1,985,700	\$545.72	\$0.2748
Dec-20	2,920,000	\$836.83	\$0.2866		Dec-20	1,784,340	\$357.18	\$0.2002
Jan-21	3,113,000	\$815.72	\$0.2620		Jan-21	1,991,150	\$432.04	\$0.2170
Feb-21	3,846,000	\$1,107.32	\$0.2879		Feb-21	1,402,100	\$213.49	\$0.1523
Mar-21	3,078,000	\$899.22	\$0.2921		Mar-21	1,632,890	\$219.09	\$0.1342
Apr-21	2,973,000	\$940.25	\$0.3163		Apr-21	1,896,060	\$310.54	\$0.1638
May-21	2,877,000	\$862.40	\$0.2998		May-21	1,913,610	\$616.93	\$0.3224
Jun-21	2,777,000	\$814.67	\$0.2934		Jun-21	1,411,500	\$398.72	\$0.2825
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	28,570,000	\$8,250.29	\$0.2888		TOTAL	15,652,030	\$3,324.77	\$0.2124

Agua Dulce					All Customers			
	Actual	Net Rev	Per 1000g			Actual	Net Rev	Per 1000g
Oct-20	2,089,590	\$535.86	\$0.2564		Oct-20	54,520,780	\$15,364.49	\$0.2818
Nov-20	2,041,600	\$619.39	\$0.3034		Nov-20	45,588,200	\$12,997.55	\$0.2851
Dec-20	1,695,110	\$389.99	\$0.2301		Dec-20	41,449,800	\$11,457.46	\$0.2764
Jan-21	1,642,950	\$341.34	\$0.2078		Jan-21	36,679,410	\$9,572.45	\$0.2610
Feb-21	1,619,290	\$183.71	\$0.1135		Feb-21	45,205,310	\$12,116.76	\$0.2680
Mar-21	2,261,860	\$488.64	\$0.2160		Mar-21	41,914,040	\$12,008.73	\$0.2865
Apr-21	2,355,550	\$462.86	\$0.1965		Apr-21	46,729,430	\$13,504.15	\$0.2890
May-21	2,273,950	\$506.59	\$0.2228		May-21	48,163,120	\$14,279.90	\$0.2965
Jun-21	1,820,753	\$252.42	\$0.1386		Jun-21	49,269,780	\$14,946.07	\$0.3034
Jul-21	0	\$0.00	#DIV/0!		Jul-21	0	\$0.00	#DIV/0!
Aug-21	0	\$0.00	#DIV/0!		Aug-21	0	\$0.00	#DIV/0!
Sep-21	0	\$0.00	#DIV/0!		Sep-21	0	\$0.00	#DIV/0!
TOTAL	17,800,653	\$3,780.80	\$0.2124		TOTAL	409,519,870	\$116,247.56	\$0.2839

Memorandum

To: South Texas Water Authority Board of Directors and Carola G. Serrato, Executive Director
From: Dony Cantu, O&M Supervisor
Date: July 30, 2021
Re: O&M Activities

During the Week of June 21st - June 25th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Office maintenance was performed.
- Delivered LAS, to PS s for NWSC, RWSC, and STWA.
- Repaired flush valve on CR 2180, acct#179 RWSC.
- Installed pressure transmitter on PS #3 RWSC.
- CSI for acct #1292, NWSC.
- Roof replaced at new Banquete PS.
- Reservice for TJ Collins, acct. #1270, RWSC.
- Field verify, acct. #633, NWSC.
- Hydrotank- Bishop East placed back on line after welding repair.
- Leak repair on CR 1060/FM 1118.
- Third Coast Environmental samples TCEQ Required Disinfection by Products, Nitrate & Nitrite.
- Flushing-NWSC-RWSC.
- Training for New Banquete Pump Station.
- Installed Agua Dulce Rural Master meter.
- Working on permit for FM 1833 NWSC, Long Service Connection Tap.

During the Week of June 28th-July 2nd:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Office maintenance was performed.
- Delivered LAS to PSs for NWSC, RWSC, and STWA.
- Worked on Deleon Ext. on CR 12, NWSC.
- CSI Gonzales acct. #1295, NWSC.
- Repair leak on GST (large) Central Pump Station.
- Tap/meter set - NWSC.
- CSI acct.#1265, RWSC.
- Worked on NWSC TXDOT Permit FM 1833.
- Tap/meter set acct.# 1269, RWSC.
- Mow PSs NWSC, RWSC.
- Meeting with crew.
- Repair stand on CL² pump at Kingsville site.

O&M Supervisor Report

07/30/21

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- Dropped off Unit #7 & 5 for oil change and repairs.
- Mini Trackhoe getting repaired at H&V.

During the Week of July 5th-July 9th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Office maintenance was performed.
- Delivered LAS to PSs for NWSC, RWSC and STWA.
- Remote reading for NWSC Retail meters.
- Clean up PS NWSC, RWSC.
- Repaired 2" valve at PS # 3 RWSC.
- Read RWSC Rural Retail meters.
- Replaced light at office.
- DLQR-reports TCEQ Quarterly Reports for STWA, NWSC & RWSC.
- Dropped off office car at Toyota Dealership.
- Took Cyber Security online class.
- Unit # 12 oil change.

During the Week of July 12th-July 16th:

- Generators were exercised, GPS records were reviewed and line locates were performed.
- NAP samples were collected/monitored.
- Residuals (Total, Mono, FAA, Free) were taken for the Driscoll Booster Station on the 42" line, CR 16 and Kingsville Meter Run.
- A Safety meeting was held.
- Bac-T Samples were collected.
- Office maintenance was performed.
- Delivered LAS to PSs for NWSC, RWSC and STWA.
- Mercer Control installed light at New Banquete PS.
- Completed TXDOT permit for FM 70 Long Service connection tap for NWSC customer.
- Flushing NWSC & RWSC.
- Checked valves/meter Agua Dulce PS.
- Leak at Tony Morales FM 70-81A, NWSC.
- Dress up areas for acct. # 534, & acct. # 1180.
- Leak on Tomahawk & Broken Arrow.
- Check at tie ins/valves in NWSC connection between PS systems.
- Repair ARV FM 1118 & CR 1060, RWSC.
- Repair flush valve on CR 75 & FM 2826, NWSC.
- Check meter working properly, Acct, # 1064 NWSC.
- Locate valve on FM 666 & CR 16, NWSC.
- Mowed grass for NWSC & RWSC.
- Repair flush valve on CR 75 & FM 2826, NWSC.
- Unit #1 & Unit #10 oil change and repairs.
- Work on CL²/LAS on Driscoll PS, GST.

ATTACHMENT 3

Management Service Contract

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement ("Agreement") is made by and between the SOUTH TEXAS WATER AUTHORITY (the "Authority"), and JMAR MANAGEMENT CONSULTING, LLC ("Contractor"). The Authority and Contractor hereby agree as follows:

1. Retention as Independent Contractor. The Authority agrees to retain Contractor and Contractor agrees to be retained by the Authority as an independent contractor to provide management services upon the terms and conditions hereinafter set forth. The parties agree that although the Authority shall provide certain support services, equipment and office space as provided herein, Contractor shall exercise independent judgment in performing the management services provided under this Agreement. Contractor shall be solely responsible for determination of the procedures and methods of providing such services under this Agreement. Contractor shall work in an open and cooperative manner with the Authority's board, staff and office personnel.

2. Term. Contractor agrees to begin providing the services under this Agreement beginning on the 27th day of July, 2021 (the "Commencement Date"). The initial term of this Agreement shall end as of the close of business six months after the Commencement Date (the "Initial Term"). The Authority can terminate this Agreement during the Initial Term upon written notice to Contractor. This Agreement will renew automatically on a semi-annual basis after the Initial Term, subject to termination by the Authority upon 30 days' written notice. Contractor may terminate this Agreement at any time upon 30 days' written notice.

3. Management Services. Contractor agrees to manage the operations of the Authority, execute the policies of the Board of Directors, and supervise the staff and office personnel of the Authority in full compliance with the Texas Water Code and other applicable regulations, as well as the policies and procedures adopted by the Authority. Contractor agrees to be subject to the general supervision of and act pursuant to the orders, advice and direction of the Authority by and through its Board of Directors, including the requirements of the management contracts between the Authority and the Nueces Water Supply Corporation as well as between the South Texas Water Authority and the Ricardo Water Supply Corporation. Contractor shall manage the operations of the Nueces Water Supply Corporation and Ricardo Water Supply Corporation subject to approval by those corporations. Contractor at all times shall exercise the skill, judgment, and conduct required in order to comply with said legal authorities.

4. Compensation. For all services rendered by Contractor under this Agreement, Contractor shall be compensated in an amount equal to \$50,000.00 for the Initial Term, said amount to be paid in equal monthly installments commencing one month from the Commencement Date provided in Section 2 above.

5. Office Space. Contractor shall be provided at office at the Authority's administrative offices and be provided a key to the office and have full access to the building, facilities, grounds, and records of the Authority. The office shall be equipped with a desk, chair and computer with internet access. Contractor shall provide its own mobile telephone and personal digital equipment, motor vehicle and any other personal devices required to perform the services under this Agreement.

under this Agreement.

6. Licensing. Contractor agrees to cause its principal, John Marez, to diligently pursue and obtain a TCEQ "D" Water Distribution License during the Initial Term of this Agreement, subject to the availability of test dates. Contractor additionally agrees to cause its principal, John Marez, to diligently pursue obtaining a TCEQ "C" Water Distribution License and obtain Property Tax Professionals Tax Assessor/Collector Certifications and provide the Authority's Board of Directors regular updates on his progress in that regard.

7. Expenses. The Authority will reimburse Contractor for all reasonable expenses, in accordance with the Authority's lawful policies as in effect from time to time, including but not limited to, any travel and entertainment expenses incurred by Contractor in connection with the business of the Authority. Expenses will be paid within a reasonable time after submission of acceptable supporting documentation. Neither Contractor nor its principal shall not be entitled to any fringe benefits under this Agreement.

8. Conflict of Interest. During the term of this Agreement, Contractor will not, directly or indirectly, engage or participate in any other business activities that the Authority, in its reasonable discretion, determines to be in conflict with the best interests of the Authority without written consent of the Authority.

9. Contract Binding Authority. Notwithstanding any other term or condition expressed or implied in this Agreement to the contrary, Contractor will not have the authority to enter into any contracts or commitments for or on the behalf of the Authority without first obtaining the express written consent of the Authority. Once authorized, John Marez, the principal of Contractor, is authorized to execute such contracts or agreements on behalf of the Authority as its "Authorized Agent."

10. Records. Contractor agrees that all records and files relating to the services to be provided under this Agreement shall belong exclusively to the Authority. Contractor shall have the right of access to such records at reasonable times during business hours during the term of this Agreement.

11. Confidentiality. Contractor shall keep all Confidential Information confidential forever. "Confidential Information" includes all non-public information of the Authority or other information directed by the board of directors of the Authority not to be disclosed except upon approval by the Attorney General of Texas or a court of applicable jurisdiction.

12. Termination by Death or for Cause. Notwithstanding other provisions of this Agreement, this Agreement shall terminate immediately, upon the first to occur of the following events involving Contractor:

(a) Death or prolonged disability(exceeding 60 days) of John Marez, the principal of Consultant; and

(b) Any other wrongful act that would detrimental to the Authority.

If notice has been given by either party for any reason, the Authority and Contractor agree to execute their duties and obligations under this Agreement diligently and in good faith through to the end of the notice period. The Authority may not make any changes to the compensation or any other term or condition of this Agreement between the time termination notice is given through to the end of the notice period.

13. Non-Assignment. This Agreement is not assignable by either party.

14. Non-Waiver. Any delay by either party in the enforcement of the rights contained in this Agreement will not constitute a waiver of those rights or be considered a basis for estoppel or laches, either at equity or at law. Either party may exercise all rights under this Agreement despite any delay or failure to enforce those rights at the time the right arose.

15. Time. Time is of the essence in this Agreement.

16. Notice. Whenever in this Agreement notice is required to be given it shall be given in writing, and if such notice is given by certified mail it shall be deemed to have been given on the date such notice is hand delivered with proper receipt or posted, with postage prepaid, return receipt requested. All notices to the Authority shall be delivered or mailed to the address of the Authority's principal place of business, and all notices to Contractor shall be mailed to Contractor at the last known address as shown on the books and records of the Authority. Contractor may change the mailing address by giving written notice of such change to the Authority as provided above.

17. Applicable Law. This Agreement shall be subject to and governed by the laws of the State of Texas. Any and all obligations or payments are due and payable in Kleberg County, Texas, and the exclusive venue of any disputes shall be in Kleberg County, Texas.

18. Arbitration Clause. The parties agree that any controversy, dispute or claim arising out of or relating to this Agreement or breach thereof shall first be settled through good faith negotiation. If the dispute cannot be settled through negotiation the parties agree to attempt in good faith to settle the dispute by mediation administered by JAMS or a qualified mediator. If the parties are unsuccessful at resolving the dispute through mediation, the parties agree to arbitration administered by JAMS or qualified arbitrator pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy or qualified arbitrator on Employment Arbitration Minimum Standards of Procedural Fairness. Judgment on the Award may be entered in any court having jurisdiction.

19. Counterparts. This Agreement may be executed in duplicate counterparts, which shall constitute a single, binding agreement of the parties. Copies or scanned versions of this Agreement shall be binding and enforceable on the same basis as an original.


20. Entire Agreement. This Agreement constitutes the entire agreement between The Authority and Contractor, and in entering into this Agreement, the parties are not relying on any promises or representations or inducements of any kind not expressly set forth and contained in this Agreement. This Agreement shall not be modified by any claim of prior promises,

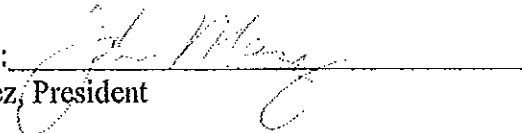
representations, or inducements not expressly made a provision of this Agreement. This Agreement shall not be modified as to any of its provisions, except in writing signed by each party.

Executed this 27 day of July, 2021.

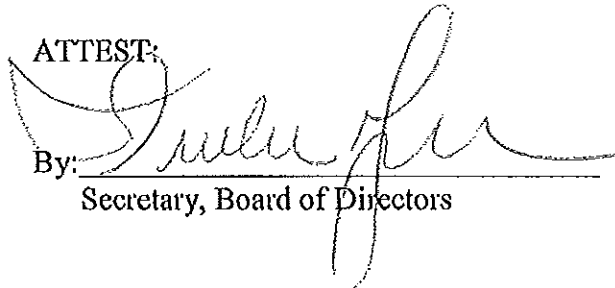
SOUTH TEXAS WATER AUTHORITY

JMAR MANAGEMENT CONSULTING, LLC

By: 
President of the Board of Directors

By: 
John Marez, President

ATTEST;

By: 
Secretary, Board of Directors

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement (“Agreement”) is made by and between the SOUTH TEXAS WATER AUTHORITY (the “Authority”), and JMAR MANAGEMENT CONSULTING, LLC (“Contractor”). The Authority and Contractor hereby agree as follows:

1. Retention as Independent Contractor. The Authority agrees to retain Contractor and Contractor agrees to be retained by the Authority as an independent contractor to provide management services upon the terms and conditions hereinafter set forth. The parties agree that although the Authority shall provide certain support services, equipment and office space as provided herein, Contractor shall exercise independent judgment in performing the management services provided under this Agreement. Contractor shall be solely responsible for determination of the procedures and methods of providing such services under this Agreement. Contractor shall work in an open and cooperative manner with the Authority’s board, staff and office personnel.

2. Term. Contractor agrees to begin providing the services under this Agreement beginning on the ____ day of August, 2021 (the “Commencement Date”). The initial term of this Agreement shall end as of the close of business six months after the Commencement Date (the “Initial Term”). The Authority can terminate this Agreement during the Initial Term upon written notice to Contractor. This Agreement will renew automatically on a semi-annual basis after the Initial Term, subject to termination by the Authority upon 30 days’ written notice. Contractor may terminate this Agreement at any time upon 30 days’ written notice.

3. Management Services. Contractor agrees to manage the operations of the Authority, execute the policies of the Board of Directors, and supervise the staff and office personnel of the Authority in full compliance with the Texas Water Code and other applicable regulations, as well as the policies and procedures adopted by the Authority. Contractor agrees to be subject to the general supervision of and act pursuant to the orders, advice and direction of the Authority by and through its Board of Directors, including the requirements of the management contracts between the Authority and the Nueces Water Supply Corporation as well as between the South Texas Water Authority and the Ricardo Water Supply Corporation. Contractor shall manage the operations of the Nueces Water Supply Corporation and Ricardo Water Supply Corporation subject to approval by those corporations. Contractor at all times shall exercise the skill, judgment, and conduct required in order to comply with said legal authorities.

4. Compensation. For all services rendered by Contractor under this Agreement, Contractor shall be compensated in an amount equal to \$50,000.00 for the Initial Term, said amount to be paid in equal monthly installments commencing one month from the Commencement Date provided in Section 2 above.

5. Office Space. Contractor shall be provided at office at the Authority’s administrative offices and be provided a key to the office and have full access to the building, facilities, grounds, and records of the Authority. The office shall be equipped with a desk, chair and computer with internet access. Contractor shall provide its own mobile telephone and personal digital equipment, motor vehicle and any other personal devices required to perform the services under this Agreement.

6. Licensing. Contractor agrees to cause its principal, John Marez, to diligently pursue and obtain a TCEQ "D" Water Distribution License during the Initial Term of this Agreement, subject to the availability of test dates. Contractor additionally agrees to cause its principal, John Marez, to diligently pursue obtaining a TCEQ "C" Water Distribution License and obtain Property Tax Professionals Tax Assessor/Collector Certifications and provide the Authority's Board of Directors regular updates on his progress in that regard.

7. Expenses. The Authority will reimburse Contractor for all reasonable expenses, in accordance with the Authority's lawful policies as in effect from time to time, including but not limited to, any travel and entertainment expenses incurred by Contractor in connection with the business of the Authority. Expenses will be paid within a reasonable time after submission of acceptable supporting documentation. Neither Contractor nor its principal shall not be entitled to any fringe benefits under this Agreement.

8. Conflict of Interest. During the term of this Agreement, Contractor will not, directly or indirectly, engage or participate in any other business activities that the Authority, in its reasonable discretion, determines to be in conflict with the best interests of the Authority without written consent of the Authority.

9. Contract Binding Authority. Notwithstanding any other term or condition expressed or implied in this Agreement to the contrary, Contractor will not have the authority to enter into any contracts or commitments for or on the behalf of the Authority without first obtaining the express written consent of the Authority. Once authorized, John Marez, the principal of Contractor, is authorized to execute such contracts or agreements on behalf of the Authority as its "Authorized Agent."

10. Records. Contractor agrees that all records and files relating to the services to be provided under this Agreement shall belong exclusively to the Authority. Contractor shall have the right of access to such records at reasonable times during business hours during the term of this Agreement.

11. Confidentiality. Contractor shall keep all Confidential Information confidential forever. "Confidential Information" includes all non-public information of the Authority or other information directed by the board of directors of the Authority not to be disclosed except upon approval by the Attorney General of Texas or a court of applicable jurisdiction.

12. Termination by Death or for Cause. Notwithstanding other provisions of this Agreement, this Agreement shall terminate immediately, upon the first to occur of the following events involving Contractor:

(a) Death or prolonged disability (exceeding 60 days) of John Marez, the principal of Consultant; and

(b) Any other wrongful act that would detrimental to the Authority.

If notice has been given by either party for any reason, the Authority and Contractor agree to

execute their duties and obligations under this Agreement diligently and in good faith through to the end of the notice period. The Authority may not make any changes to the compensation or any other term or condition of this Agreement between the time termination notice is given through to the end of the notice period.

13. Non-Assignment. This Agreement is not assignable by either party.

14. Non-Waiver. Any delay by either party in the enforcement of the rights contained in this Agreement will not constitute a waiver of those rights or be considered a basis for estoppel or laches, either at equity or at law. Either party may exercise all rights under this Agreement despite any delay or failure to enforce those rights at the time the right arose.

15. Time. Time is of the essence in this Agreement.

16. Notice. Whenever in this Agreement notice is required to be given it shall be given in writing, and if such notice is given by certified mail it shall be deemed to have been given on the date such notice is hand delivered with proper receipt or posted, with postage prepaid, return receipt requested. All notices to the Authority shall be delivered or mailed to the address of the Authority's principal place of business, and all notices to Contractor shall be mailed to Contractor at the last known address as shown on the books and records of the Authority. Contractor may change the mailing address by giving written notice of such change to the Authority as provided above.

17. Applicable Law. This Agreement shall be subject to and governed by the laws of the State of Texas. Any and all obligations or payments are due and payable in Kleberg County, Texas, and the exclusive venue of any disputes shall be in Kleberg County, Texas.

18. Arbitration Clause. The parties agree that any controversy, dispute or claim arising out of or relating to this Agreement or breach thereof shall first be settled through good faith negotiation. If the dispute cannot be settled through negotiation the parties agree to attempt in good faith to settle the dispute by mediation administered by JAMS or a qualified mediator. If the parties are unsuccessful at resolving the dispute through mediation, the parties agree to arbitration administered by JAMS or qualified arbitrator pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy or qualified arbitrator on Employment Arbitration Minimum Standards of Procedural Fairness. Judgment on the Award may be entered in any court having jurisdiction.

19. Counterparts. This Agreement may be executed in duplicate counterparts, which shall constitute a single, binding agreement of the parties. Copies or scanned versions of this Agreement shall be binding and enforceable on the same basis as an original.

20. Entire Agreement. This Agreement constitutes the entire agreement between The Authority and Contractor, and in entering into this Agreement, the parties are not relying on any promises or representations or inducements of any kind not expressly set forth and contained in this Agreement. This Agreement shall not be modified by any claim of prior promises, representations, or inducements not expressly made a provision of this Agreement. This

Agreement shall not be modified as to any of its provisions, except in writing signed by each party.

Executed this ____ day of _____, 2021.

SOUTH TEXAS WATER AUTHORITY

JMAR MANAGEMENT CONSULTING, LLC

By: _____
President of the Board of Directors

By: _____
John Marez, President

ATTEST:

By: _____
Secretary, Board of Directors

ATTACHMENT 4

2021 Certified Appraisal Rolls

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 29, 2021
Re: Certified Nueces and Kleberg County Appraisal District Values.

Background:

Adoption of Certified Appraisal Rolls begins the tax collection process. A Board adopted tax rate is levied (multiplied) against the values of the Certified Appraisal Roll to produce a Tax Roll. The Tax Roll is used to produce tax bills that are mailed out to property owners and thus the tax collection process begins.

This year, the Nueces County Appraisal District (NCAD) provided a certified roll showing an increase in *ARB approved totals*. Last year's approved taxable total was \$1,063,575,583 (without properties under protest) compared to this year's *ARB approved totals* of \$1,135,495,153 for an increase of \$71,919,570. The information also shows an *estimated value* of \$2,461,495 in properties under protest. There are thirty-one (31) properties under protest. The total number of properties on this roll are 41,497 as compared to last year's number of 41,457, an increase of 40 properties. However, it should be noted that this figure was reduced by about 5,000 parcels after the *Nueces County Tax Office* determined tax statements would not be sent on numerous accounts.

The information from the Kleberg County Appraisal District (KCAD) shows that overall values have also increased by \$82,342,417. This roll also shows an *estimated value* of \$95,533,279 in properties under protest. There are 217 properties under protest. The total number of properties on this roll are 16,533 as compared to last year's number of 16,787. The *Kleberg County Tax Office* billed STWA for sending out 16,694 tax statements – Kleberg County bills STWA the fees at the beginning of the tax year.

Analysis:

This year, there is about a \$150M increase from last year's certified rolls to this year.

	Tax Year 2020 Final Certified Values	Tax Year 2021 Final Certified Values	Difference
Nueces	\$1,070,145,831	\$1,137,956,648	\$67,810,817
Kleberg	\$1,257,323,874	\$1,339,666,291	\$82,342,417
Total	\$2,327,469,705	\$2,477,622,939	\$150,153,234

Staff Recommendation:

Adopt the Certified Appraisal Rolls for Nueces County and Kleberg County.

Board Action:

Determine whether to adopt Resolutions 21-16 and 21-17.

Summarization:

This is a required step in the tax collection process.



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

Ramiro "Ronnie" Canales
Nueces County Chief Appraiser

Direct: (361) 879-0766
Cell: (361) 765-1190
Fax: (361) 887-6138
rcanales@nuecescad.net

SOUTH TEXAS WATER AUTHORITY

CERTIFICATION OF 2021 APPRAISAL ROLL

Pursuant to Section 26.01(a) and (c) of the Texas Property Tax Code, I, Ramiro "Ronnie" Canales, Nueces Appraiser for the Nueces County Appraisal District, Nueces County, Texas, do hereby CERTIFY the values listed below, as the net taxable value of all taxable property within your jurisdiction.

- | | |
|---|------------------|
| A. Value of all taxable property NOT Under Protest for 2021 | \$ 1,135,495,153 |
| B. Estimated taxable value of property Under Protest for 2021 | \$ 2,461,495 |

2021 TOTAL NET TAXABLE VALUE FOR YOUR JURISDICTION \$ 1,137,956,648

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

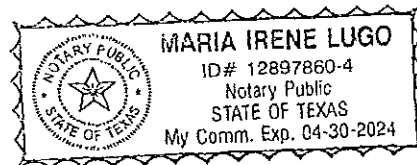
Ramiro "Ronnie" Canales, RPA, CTA
Chief Appraiser

07/22/2021

Date

Subscribed and sworn to before me on this 22nd day of July 2021.

A handwritten signature in black ink, appearing to read "Maria Irene Lugo", written over a horizontal line.
Notary Public



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

July 26, 2021

RECEIVED

JUL 26 2021

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


SOUTH TEXAS WATER AUTHORITY

Dear Ms. Serrato:

Enclosed you will find 2021 certified estimated total information for your taxing entity, a copy of the 2021 certified outstanding protests property list, a copy of the 2021 omitted property list and a CD of your taxing entity's 2021 certified estimated appraisal rolls.

If you have any questions, please feel free to call me at 361-595-5775.

Sincerely,


Ernestina Flores, R.P.A.
Chief Appraiser

Cc: Rudy Galvan, President
Kleberg County Appraisal District Board of Directors

2021 FINAL CERTIFIED ESTIMATED VALUE INFORMATION

AS OF 7-26-21

**TAXING UNIT
SOUTH TEXAS WATER AUTHORITY**

GROSS VALUES	2021 FINAL CERTIFIED ESTIMATED VALUES NOT UNDER ARB REVIEW	2020 FINAL VALUES	DIFFERENCE
REAL:	1,491,877,382	1,345,240,291	146,637,091
PERSONAL:	102,655,630	96,408,290	6,247,340
MINERAL:	181,882,102	178,633,744	3,248,358
TOTAL GROSS VALUE:	1,776,415,114	1,620,282,325	156,132,789
TOTAL EXEMPTIONS:	326,994,571	226,100,386	100,894,185
HOMESTEAD CAP ADJ:	23,480,064	18,188,571	5,291,493
LOSS TO AGRICULTURAL: VALUATION	181,807,467	180,561,088	1,246,379
NET TAXABLE VALUE:	1,244,133,012	1,195,432,280 (INC)	48,700,732
	CERTIFIED ESTIMATED VALUES UNDER ARB REVIEW		
STILL UNDER ARB REVIEW NET TAXABLE VALUE	(+) 95,533,279	61,891,694	33,641,685
	TOTAL CERTIFIED ESTIMATED VALUES		
ESTIMATED ADJUSTED NET TAXABLE VALUE	(=) 1,339,666,291 (-)	1,257,323,874 (=) (INC)	82,342,417

mcserrato@stwa.org

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Tuesday, July 27, 2021 12:55 PM
To: mcserrato@stwa.org
Cc: Frances Rosales; Jo Ella Wagner
Subject: RE: KCAD Properties Under Protest

Carola:

I concur that the \$95,533,279 value should be included in the total taxable value as part of the STWA budget calculation and I&S debt rate calculation.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, July 27, 2021 12:29 PM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>
Subject: KCAD Properties Under Protest
Importance: High

Bill,

There are properties under protest with the KCAD as well. I have created a similar spreadsheet as the one for NCAD (attached).

The "value used" by KCAD is \$95,533,279.

The "previous year's value" was \$103,910,295 and the "current year's value" is \$118,352,300.

The "value used" in the KCAD letter (\$95,533,279) is the exact amount in the spreadsheet. The "value used" is 80.72% of the "current value." Unless you advise otherwise, the \$95,533,279 value will be included in the total taxable value as part of the STWA budget calculation and I&S debt rate calculation.

Carola

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Monday, July 26, 2021 10:06 AM
To: mcserrato@stwa.org
Cc: Frances Rosales; Jo Ella Wagner
Subject: RE: NCAD Lower Value Schedule

Carola:

I concur that you should use 100% of the \$2,461,595 figure as part of STWA's taxable value.

Thank you.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Monday, July 26, 2021 9:37 AM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>
Subject: NCAD Lower Value Schedule

Bill,

This is a follow-up to our conversation about the amount to use in calculating taxable values for properties under protest.

Attached is the NCAD letter indicating that the value assigned to those properties is \$2,461,595. Also attached is the NCAD Lower Value Detail Report: 2021.

Finally, I took those figures and created a spreadsheet with the Previous Year's Market, Taxable and AG values compared to those same categories for the Current Year as well as any Taxpayer Opinion and Value Used. I thought that the Value Used would match the figure in the letter. However, there is a difference of \$204,146 – which I can't reconcile. That figure would generate less than \$240 in M&O and I&S taxes at STWA's current tax rate of approximately 8.7 cents per \$100 value.

Therefore, unless you advise otherwise, the plan is to use 100% of the \$2,461,595 figure as part of STWA's taxable value.

Thanks,
Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

ATTACHMENT 5

Resolutions 21-16 and 21-17

SOUTH TEXAS WATER AUTHORITY

Resolution 21-16

RESOLUTION ADOPTING THE APPRAISAL ROLL FOR THE SOUTH TEXAS
WATER AUTHORITY'S DISTRICT IN KLEBERG COUNTY FOR TAX YEAR 2021.

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

WHEREAS, the South Texas Water Authority has the power to collect ad valorem taxes for maintenance and operation and debt service, and

WHEREAS, the appraisal roll of the South Texas Water Authority has been compiled by the Kleberg County Appraisal District for the purpose of levying an established tax rate on said valuation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Texas Water Authority adopts the 2021 appraisal roll compiled by the Kleberg County Appraisal District on behalf of the Authority.

Duly adopted this 3rd day of August, 2021.

BRANDON BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

Resolution 21-17

RESOLUTION ADOPTING THE APPRAISAL ROLL FOR THE SOUTH TEXAS
WATER AUTHORITY'S DISTRICT IN NUECES COUNTY FOR TAX YEAR 2021.

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

WHEREAS, the South Texas Water Authority has the power to collect ad valorem taxes for maintenance and operation and debt service, and

WHEREAS, the appraisal roll of the South Texas Water Authority has been compiled by the Nueces County Appraisal District for the purpose of levying an established tax rate on said valuation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Texas Water Authority adopts the 2021 appraisal roll compiled by the Nueces County Appraisal District on behalf of the Authority.

Duly adopted this 3rd day of August, 2021.

BRANDON BARRERA, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 6

Preliminary FY 2022 Budget

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2021
Re: Preliminary Fiscal Year 2022 Budget

Background:

Enclosed please find the Preliminary Fiscal Year 2022 Budgets.

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

1. **The Cost of Raw and Treated Water from the City of Corpus Christi** – These rates are still unavailable. According to the latest email correspondence from the City, the rate model should be available sometime today. Per the contracts with wholesale customers, STWA continues to pass through the cost of water. Despite passing the cost through, it does impact the volume the City of Kingsville purchases and the revenue generated from STWA's Handling Charge. It is important to note that the final pass-through rates may not be set until November and the rates should not change until January 2022.
2. **Kleberg County and Nueces County Certified Appraisal Rolls** – **The rolls have been provided** and that data is used to calculate the **Average Home Value** which is used to determine the Effective Tax Rate. There are two (2) other items related to approval of the certified rolls and another item related to approving publication of the required notice.
3. **Certain Budgeted Costs** – **Staff has estimated** the rates from the Nueces County Tax Office, the Nueces County Appraisal District and the Kleberg County Appraisal District. Most other expenses are based on historical figures and anticipated costs with the exception of employee benefits in the form of insurance costs. Typically, insurance renewal premiums will be available in the next month or two.

Analysis:

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

This *second* draft budget is based on **certified appraisal district values** and a reduction in the M&O tax based on the calculation from the Comptroller Worksheet. The Interest and Sinking Tax Rate is recalculated using the certified values and the anticipated Debt Service expenses. The *second* draft budget is based on an overall salary adjustment of 4.9% and milestone raises per Board policy without the JMar Management Consulting, LLC (JMar) contract or ED salary. The JMar contract in the amount of \$28,333 is in the Professional Fees section of the budget. This figure reflects the adjustment for the Nueces and Ricardo Water Supply Corporations' share for the first four (4) months of Fiscal Year 22. The remaining amount of \$66,667 (less the Corporations' portion) is part of the Salaries and Wages line item in the Total Personnel section.

A small adjustment was added to the purchases for FY 22 with the addition of a postage machine at a cost of \$11,000.

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

Staff Recommendation:

Review the *second* draft budgets and provide feedback to staff. For the purposes of complying with contractual agreements, authorize staff to send a copy of the budget to STWA's wholesale customers.

Board Action:

Determine if any revenues and expenditures need further review or adjustment. Authorize staff to send a copy of the budget to STWA's wholesale customers

Summarization:

This draft budget reflects an ending balance that would add approximately \$500,000 to Reserves.

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND
PROPOSED FY 2022 BUDGET**

**O & M TAX RATE: \$0.067506
I & S TAX RATE: \$0.014920
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.623485**

	FY 2021 ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2022 PROPOSED BUDGET
REVENUES			
Water Service Revenue	\$1,400,631	\$1,400,631	\$1,441,652
Handling Charge Revenue	\$229,295	\$229,295	\$234,307
Premium Incremental Increase	\$6,500	\$6,500	\$5,000
Surcharge - Out of District	\$7,986	\$7,986	\$7,831
Interest Income	\$22,000	\$4,100	\$4,000
Interest Note - City of Driscoll	\$0	\$8,653	\$5,634
Other Revenue			
Operating & Maintenance Fees	\$0	\$11,300	\$11,300
Miscellaneous Revenues	\$12,000	\$12,000	\$12,000
TOTAL REVENUES	\$1,678,412	\$1,680,465	\$1,721,724
EXPENDITURES			
Water Service Expenditures:			
Bulk Water Purchases	\$1,400,631	\$1,400,631	\$1,441,652
Water Loss	\$0	\$0	\$0
TOTAL WATER SERVICE	\$1,400,631	\$1,400,631	\$1,441,652
Payroll Costs			
Salaries & Wages -			
Permanent Employees	\$342,332	\$342,332	\$319,717
Part-Time Employee	\$1,736	\$1,736	\$1,798
Vacation Buy-Back	\$0	\$0	\$3,100
Overtime - NWSC	\$0	\$0	\$0
Stand-by Pay - NWSC	\$0	\$0	\$0
Overtime - RWSC	\$0	\$0	\$0
Stand-by Pay - RWSC	\$0	\$0	\$0
Overtime - STWA	\$15,000	\$15,000	\$15,000
Stand-by Pay - STWA	\$1,300	\$1,300	\$1,300
Janitorial Pay - STWA Overtime	\$8,500	\$8,500	\$8,500
Employee Retirement Premiums	\$51,973	\$51,973	\$49,628
Group Insurance Premium	\$176,907	\$176,907	\$169,053
Unemployment Compensation	\$933	\$933	\$1,595
Workers' Compensation	\$6,654	\$6,654	\$6,262
Car Allowance	\$6,000	\$6,000	\$4,000
Hospital Insurance Tax	\$4,112	\$4,112	\$5,034
TOTAL PERSONNEL	\$615,447	\$615,447	\$584,987
Supplies & Materials			
Repairs & Maintenance	\$126,000	\$126,000	\$126,000
Meter Expense	\$5,000	\$8,000	\$5,000
Tank Repairs	\$38,000	\$38,000	\$20,000
Major Repairs	\$25,000	\$25,000	\$25,000
TOTAL SUPPLIES & MATERIALS	\$194,000	\$197,000	\$176,000

	FY 2021 ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2022 PROPOSED BUDGET
Other Operating Expenditures:			
Professional Fees			
Legal	\$30,000	\$20,000	\$30,000
Auditing	\$9,475	\$9,750	\$9,800
Engineering	\$12,500	\$12,500	\$12,500
Management & Consulting	\$7,500	\$35,500	\$7,500
JMAR Management Consulting, LLC	\$0	\$0	\$28,333
Inspections	\$6,000	\$4,000	\$6,000
Banquete Overhead Tank Demolition	\$35,000	\$42,000	\$0
TOTAL PROFESSIONAL FEES	\$100,475	\$123,750	\$94,133
Consum Supplies/Materials			
Postage	\$7,500	\$7,500	\$7,500
Printing/Office Supplies	\$30,000	\$30,000	\$30,000
Janitorial/Site Maintenance	\$8,400	\$9,500	\$9,500
Fuel/Lubricants/Repairs	\$30,000	\$37,500	\$40,500
Chemicals/Water Samples	\$52,500	\$52,500	\$52,500
Safety Equipment	\$1,500	\$1,500	\$1,500
Small Tools	\$2,000	\$2,000	\$2,000
TOTAL CON. SUPPLIES/MATERIALS	\$131,900	\$140,500	\$143,500
Recurring Operating Costs			
Telephone/Communications	\$14,000	\$14,000	\$18,000
Utilities	\$110,000	\$100,000	\$122,500
D & O Liability Insurance	\$3,500	\$2,250	\$3,000
Property Insurance	\$47,300	\$41,370	\$47,300
General Liability	\$3,200	\$5,500	\$5,500
Auto Insurance	\$2,450	\$3,100	\$3,100
Travel/Training/Meetings	\$18,000	\$18,000	\$18,000
Rental-Equipment/Uniforms	\$5,000	\$5,000	\$5,000
Dues/Subscriptions/Publication	\$15,000	\$15,000	\$15,000
Pass Through Cost	\$400	\$775	\$400
Educational Materials	\$0	\$0	\$0
TOTAL RECURRING OPER. COSTS	\$218,850	\$204,995	\$237,800
Miscellaneous			
Miscellaneous Expenditures	\$7,500	\$7,500	\$9,500
TOTAL MISCELLANEOUS	\$7,500	\$7,500	\$9,500
Total Administrative & Operations Exp.	\$2,668,803	\$2,689,823	\$2,687,572
Capital Outlay			
Capital Acquisition	\$242,763	\$255,200	\$83,000
Engineering	\$0	\$0	\$0
TOTAL CAPITAL OUTLAY	\$242,763	\$255,200	\$83,000
TOTAL EXPENDITURES (w/o D.S. exp.)	\$2,911,566	\$2,945,023	\$2,770,572
Excess (Deficiencies) of Revenue Over Expenditures	-\$1,233,154	-\$1,264,558	-\$1,048,848

	FY 2021 ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2022 PROPOSED BUDGET
OTHER FINANCE SOURCE (USES)			
Transfer to Other Funds			
Disposition of Assets (Surplus Sale)	\$1,500	\$1,500	\$1,500
Transfer from Tax Accounts	\$1,523,651	\$1,527,178	\$1,546,538
TOTAL OTHER FINANCING SOURCES (USES)	\$1,525,151	\$1,528,678	\$1,548,038
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)			
	\$291,997	\$264,120	\$499,191
NET INCOME	\$291,997	\$264,120	\$499,191

Capital Acquisition	FY 2021		FY 2022
New Truck (replace 2012)	\$32,500	2 new trucks	\$67,000
Replace 6 Chlorine Bldgs	\$90,000	Technology	\$5,000
Technology Upgrades	\$5,000	Postage Mach.	\$11,000
Portable Tower Lights	\$8,000		
Dual Chlorine/LAS Scales	\$3,000		
Banquete Pump Station	\$120,000		
	<u>\$258,500</u>		<u>\$83,000</u>
Engineering	\$0		

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

**O & M TAX RATE: \$0.067506
I & S TAX RATE: \$0.014920
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.623485**

	FY 2021 ADOPTED BUDGET	FY 2021 AMENDED BUDGET	FY 2022 PROPOSED BUDGET
REVENUES			
Ad Valorem - Current (M & O)	\$1,556,828	\$1,556,828	\$1,593,934
Delinquent Taxes	\$30,000	\$30,000	\$30,000
Penalty & Interest - Tax Accounts (M & O)	\$19,000	\$19,000	\$19,000
Miscellaneous	\$0	\$0	\$0
TOTAL M&O TAX REVENUES	\$1,605,828	\$1,605,828	\$1,642,934
EXPENDITURES			
Tax Collector Fees	\$55,106	\$55,106	\$65,941
Appraisal Districts	\$27,071	\$27,071	\$30,455
Refunds	\$0	\$0	\$0
TOTAL EXPENDITURES	\$82,177	\$82,177	\$96,396
REVENUES OVER EXPENDITURES	\$1,523,651	\$1,523,651	\$1,546,538
OTHER USES			
Transfer to Revenue Fund (Tax)	\$1,523,651	\$1,523,651	\$1,546,538
TOTAL EXPEND. & OTHER USES	\$1,605,828	\$1,605,828	\$1,642,934
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	\$0	\$0

**SOUTH TEXAS WATER AUTHORITY
DEBT SERVICE FUND
PROPOSED FY2022 BUDGET**

	FY 2021 ADOPTED BUDGET	FY 2022 PROPOSED BUDGET
REVENUES		
Ad Valorem - Current	\$368,845	\$369,658
Ad Valorem - Delinquent	\$9,500	\$9,000
Penalty & Interest - Tax Accounts	\$5,500	\$5,000
Out-of-District Surcharge	\$1,781	\$1,731
Interest on Temporary Investments	\$4,250	\$100
Miscellaneous	<u>\$0</u>	<u>\$0</u>
TOTAL TAXES & INTEREST	\$389,876	\$385,489
OTHER FINANCING SOURCES		
	<u>\$0</u>	<u>\$0</u>
TOTAL OTHER FINANCE SOURCES	\$0	\$0
Total Revenue and Other Financing Sources	\$389,876	\$385,489
EXPENDITURES		
Fiscal Agent Fees	\$200	\$200
Bond Interest Expense	\$113,250	\$108,550
Bond Principal Payments	\$235,000	\$240,000
Tax Collector Fees	\$14,318	\$14,318
Appraisal District Fees	\$6,077	\$6,590
Miscellaneous Fees	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$368,846	\$369,658
OTHER USES		
TOTAL EXPEND. & OTHER USES	\$368,846	\$369,658
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$21,031	\$15,832

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

**O & M TAX RATE: \$0.067506
I & S TAX RATE: \$0.014920
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.623485**

	FY 2021 ADOPTED BUDGET	FY2021 AMENDED BUDGET	FY2022 PROPOSED BUDGET
REVENUES			
Ricardo Water Supply Corporation 1068 customers	\$308,794	\$308,794	\$338,564
RWSC - JMAR Contract Allocation			\$2,500
Nueces Water Supply Corporation 1043 customers	\$304,531	\$334,531	\$330,580
NWSC - JMAR Contract Allocation			\$2,500
TOTAL SPECIAL SERVICES REVENUE	\$613,325	\$643,325	\$674,144
EXPENDITURES			
Personnel	\$328,454	\$334,754	\$359,157
Overhead	\$284,871	\$294,580	\$309,987
JMAR Contract Allocation	\$0	\$0	\$5,000
TOTAL SPECIAL SERVICES EXPENDITURES	\$613,325	\$629,334	\$674,144
REVENUES OVER EXPENDITURES	\$0	\$13,991	\$0

Personnel allocations:

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

From: Reba George <RebaG@cctexas.com>
Sent: Thursday, July 29, 2021 10:03 AM
To: mcserrato@stwa.org
Cc: Martha Messer; Kevin Norton; 'Bill Flickinger'; 'Frances Rosales'; 'Jo Ella Wagner'; 'Chris Ekzut'; Lisa Aguilar [LGL]; Michael Murphy; John Marez; Kevin Norton; Amber Oetting
Subject: RE: City of Corpus Christi Rate Model - FY 22

Carola –
I will be sending out our rate model to you by the close of business tomorrow. As you may know, the budget was delivered to our City Council just this week – which needs to occur before sharing the rate model with our public agencies.
I appreciate you following up, as always!

Thank you,
Reba

Reba N. George, M.P.A., C.P.M. | *Assistant Director, Business & Customer Support*
City of Corpus Christi | Water Utilities Department
361-826-1648

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Wednesday, July 28, 2021 5:03 PM
To: Reba George <RebaG@cctexas.com>
Cc: Martha Messer <MarthaMe@cctexas.com>; Kevin Norton <KevinN@cctexas.com>; 'Bill Flickinger' <bflickinger@wfaustin.com>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; 'Chris Ekzut' <cekzut@newgenstrategies.net>; Lisa Aguilar [LGL] <LisaA@cctexas.com>; Michael Murphy <michaelmur@cctexas.com>; John Marez <jmarez@stwa.org>
Subject: RE: City of Corpus Christi Rate Model - FY 22

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

Good afternoon Reba,

I am wondering about the status of the rate model. The STWA Board is meeting on August 3rd and I was hoping to have an update on the model's availability.

Also, please add John Marez's email address: jmarez@stwa.org to your email list.

Thanks and Have a Good Evening,

Carola

Carola G. Serrato
Executive Director
South Texas Water Authority
2302 East Sage Rd
Kingsville, Texas 78363

From: Reba George <RebaG@cctexas.com>
Sent: Wednesday, June 9, 2021 3:01 PM
To: mogserrato@stwa.org
Cc: Martha Messer <MarthaMe@cctexas.com>; Kevin Norton <KevinN@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>; Chris Ekrut <cekrut@newgenstrategies.net>; Lisa Aguilar [LGL] <LisaA@cctexas.com>; Michael Murphy <michaelmur@cctexas.com>
Subject: RE: City of Corpus Christi Rate Model - FY 22

Carola –
Congratulations on your retirement! And thank you for your service!

We are in the process of reviewing the initial draft of the rate model. We will be having Department meetings with the City Manager and Executive Leadership Team the last week of June. I hope to have a draft for the Public Agencies to review by mid-July, possibly sooner.

I am adding Michael Murphy to this response. Mike started with Water Utilities as our Chief Operating Officer on May 17.

Thank you for touching base.....Reba

Reba N. George, M.P.A., C.P.M. | *Assistant Director, Business & Customer Support*
City of Corpus Christi | Water Utilities Department
361-826-1648

From: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Wednesday, June 9, 2021 1:47 PM
To: Reba George <RebaG@cctexas.com>
Cc: Martha Messer <MarthaMe@cctexas.com>; Kevin Norton <KevinN@cctexas.com>; Steve Viera <SteveV@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>; Chris Ekrut <cekrut@newgenstrategies.net>; Lisa Aguilar [LGL] <LisaA@cctexas.com>
Subject: City of Corpus Christi Rate Model - FY 22
Importance: High

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

Hello Reba,

As you probably expected, please consider this STWA's annual request for information on next fiscal year's rates and the rate model in accordance with the Settlement Agreement.

I am hoping that COVID-19 has not impacted your department in any major way. Please let me know if there are any changes to the recipients regarding this request.

On a personal note, I am scheduled to retire around the end of August. However, Jo Ella and Frances should still be available.

Thanks and Have a Good Afternoon,

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

2302 East Sage Rd

Kingsville, Texas 78363

361-592-9323 x112

From: Joe Trejo <jtrejo@ardurra.com>
Sent: Thursday, July 29, 2021 10:11 AM
To: Maria M. Bedia
Cc: Carola G. Serrato (mcgserrato@stwa.org); Natalie Eckstrom; Robert Viera; Hector Castaneda; John Miller; Joe Trejo
Subject: Final Docs Needed - RE: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final Payment

Maria – we also need TWDB report/acceptance – and Haren’s affidavit of bills paid –

You could go to the Commissioner’s Court for approval and say that no payment would be made until all items received as an option –

I also need to send you the engineer’s certificate of construction completion –

I am going to set the start of warranty at June 17 which is when Kholer sent the generator warranty information to STWA – but may get some push back from Haren because we had the TWDB first inspection April 15th but was the project was not accepted due to the well plugging and some controls issues but both pump stations were working-

We did get the email May 6th that TWDB did not have Substantial Completion in their regulations –

I will send out the check list again and see when we get all the information -

Hopefully will receive all needed documents within next couple of weeks –

Thanks



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



From: Maria M. Bedia <maria.bedia@nuecesco.com>
Sent: Thursday, July 29, 2021 6:22 AM
To: Joe Trejo <jtrejo@ardurra.com>
Cc: Carola G. Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>
Subject: RE: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final

Good morning, Joe. I just want to confirm that you are waiting on the windstorm certification prior to approving the final Pay Estimate #12; is that correct?

Thank you,
Maria

From: Joe Trejo <jtrejo@ardurra.com>
Sent: Tuesday, July 27, 2021 7:21 PM
To: J. S. Haren <jsharen@jsharen.com>; Cassandra Haren <cassandra@jsharen.com>; Maria M. Bedia

<maria.bedia@nuecesco.com>; mcgserrato@stwa.org

Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>;

Martinez PE Richard <rmartinez@mgm-inc.com>

Subject: RE: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final

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

Thanks for the update Sky –

Hopefully will arrive soon –



Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



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

Sent: Tuesday, July 27, 2021 9:24 AM

To: Joe Trejo <jtrejo@ardurra.com>; Cassandra Haren <cassandra@jsharen.com>; 'Maria M. Bedia'

<maria.bedia@nuecesco.com>; mcgserrato@stwa.org

Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>;

Martinez PE Richard <rmartinez@mgm-inc.com>

Subject: Re: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final

Joe,

The windstorm information has been submitted to the State, not sure how to expedient the state.

J S Haren

J S Haren Company

1175 Hwy 11 N

Athens, Tennessee 37303

(423)745-5000

(423)745-5252 Fax

From: Joe Trejo <jtremo@ardurra.com>
Sent: Monday, July 26, 2021 5:43 PM
To: Cassandra Haren <cassandra@jsharen.com>; J. S. Haren <jsharen@jsharen.com>; 'Maria M. Bedia' <maria.bedia@nuecesco.com>; mogserrato@stwa.org <mogserrato@stwa.org>
Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>
Subject: RE: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final

Sky – we are proceeding with project close out and need you affidavit of all bills paid form –

Also, noticed the windstorm certificates haven't arrived – let us know on status –

Thanks



Joe Trejo, PE RPLS
Senior Project Engineer

jtremo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: Cassandra Haren <cassandra@jsharen.com>
Sent: Monday, July 12, 2021 1:35 PM
To: Joe Trejo <jtremo@ardurra.com>; J. S. Haren <jsharen@jsharen.com>; 'Maria M. Bedia' <maria.bedia@nuecesco.com>; mogserrato@stwa.org
Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>
Subject: Re: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final

Joe,

Mitchell County will be our representative onsite July 16.

We submitted the attached TWDB info to Jo Carrol earlier today.

Thanks,

Cassandra L. Haren

J. S. HAREN COMPANY
1175 Highway 11 N
Athens, TN 37303
(423) 745-5000

From: Joe Trejo <jtrepo@ardurra.com>

Sent: Monday, July 12, 2021 1:41 PM

To: Cassandra Haren <cassandra@jsharen.com>; J. S. Haren <jsharen@jsharen.com>; 'Maria M. Bedia' <maria.bedia@nuecesco.com>; mogserrato@stwa.org <mogserrato@stwa.org>

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

Subject: FW: Banquete Booster Pump Station Cyndie Park II - Payment Request # 12 - Final

Thanks – will review and advise on final payment requirements –

Also, there is a TWDB check list in the contract docs that we need to follow for final –

Thanks – Will Jim Farrow be at the Banquete site Friday July 16 or please advise who will be the representative for JS Haren for the TWDB inspection –

Thanks



Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: Cassandra Haren <cassandra@jsharen.com>

Sent: Monday, July 12, 2021 12:24 PM

To: Joe Trejo <jtrepo@ardurra.com>

Subject: Banquete Booster Pump Station Cyndie Park II

Joe,

Please find attached our final estimate for this project.

Let me know should you need anything else.

Thanks,

Cassandra L. Haren

J. S. HAREN COMPANY
1175 Highway 11 N
Athens, TN 37303
(423) 745-5000

ATTACHMENT 7

FY 2022/Tax Year 2021 Tax Rate

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 29, 2021
Re: Proposed Tax Rate Publication for FY 2022 – Tax Year 2021

Background:

Enclosed are the Worksheet and Notice provided by the Texas Comptroller. Also enclosed is the blank worksheet downloaded from the Comptroller's website. This worksheet was modified last year as a result of legislative changes.

Information from the Worksheet is transferred to the Notice. The Tax Rate procedures for water districts require a comparison of the Average Home Value of Tax Year 2020 to Tax Year 2021. Both of those values are *adjusted* by subtracting the \$5,000 homestead exemption.

The enclosed Notice has blanks left for the Board members' recorded vote. The current tax rate is \$0.086911/\$100 valuation, which is comprised of the M&O Tax Rate of \$0.070971/\$100 and the I&S Tax Rate of \$0.015940/\$100. The FY 22 debt service requirements including the prorated cost of appraisals and collections payment is \$369,658. Since the overall tax base increased, the I&S tax component has once again decreased from the previous year.

The proposed tax rate *per the Comptroller's Form 50-860* is \$0.082427/\$100 valuation. This proposed rate is comprised of two (2) components – the M&O Tax Rate of \$0.067507/\$100 and the I&S Tax Rate of \$0.014920/\$100. This proposed tax rate is lower than the current Total Tax Rate. Please note that the proposed rate is 3.50% higher; but, an adjustment to ensure that the proposed rate does not exceed the 3.5% mandated limit is included in the formula by subtracting 0.000001 to avoid any problems.

Analysis:

The calculation begins by multiplying the current M&O tax rate against the *adjusted* Tax Year 2020 Average Home Value which results in a "Tax Bill." That Tax Bill is multiplied times 1.035 (to add the 3.5%) and then divided by this year's adjusted Average Home Value. This rate, plus the debt rate are then added to previous year's **Unused Incremental Rates**, which are zero for STWA. Last year's total rate is multiplied against last year's *adjusted* average home value to calculate a Tax Bill of \$79.50. Then, that number is multiplied times 1.035 resulting in \$82.28, which is divided by this year's *adjusted* average home value (\$99,825) and multiplied times \$100. This results in a tax rate of \$0.082427 per \$100 valuation. This figure was used in the Notice less the \$0.000001 mentioned above.

Staff Recommendation:

Authorize staff to publish the Notice with the highest rate possible without exceeding the 3.5% limit.

Board Action:

Determine whether to authorize staff to publish the Notice of the proposed rate.

Summarization:

The recommended rate for publication allows for flexibility to adopt the slightly increased rate or a lower rate. This publication is a mandatory part of the property tax and budgetary process.

2021 Developed Water District Voter-Approval Tax Rate Worksheet

South Texas Water Authority

Water District Name

2302 East Sage Road, Kingsville, Texas 78363

Water District's Address, City, State, ZIP Code

361-592-9323

Phone (area code and number)

https://www.stwa.org/

Water District's Website Address

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Section 1: Voter-Approval Tax Rate

The voter-approval tax rate for developed water districts is the current year's debt service, contract and unused increment tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.035 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.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of the developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* to calculate its voter-approval tax rate.

Line	Worksheet	Amount/Rate
1.	2020 average appraised value of residence homestead. ¹	\$ 96,473
2.	2020 general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ²	\$ 5,000
3.	2020 average taxable value of residence homestead. Line 1 minus Line 2.	\$ 91,473
4.	2020 adopted M&O tax rate.	\$ 0.070971 /\$100
5.	2020 M&O tax on average residence homestead. Multiply Line 3 by Line 4, divide by \$100.	\$ 64.92
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.035. ³	\$ 67.19
7.	2021 average appraised value of residence homestead.	\$ 104,825
8.	2021 general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ⁴	\$ 5,000
9.	2021 average taxable value of residence homestead. Line 7 minus Line 8.	\$ 99,825
10.	Highest 2021 M&O tax rate. Line 6 divided by Line 9, multiply by \$100. ⁵	\$ 0.067309 /\$100
11.	2021 debt tax rate.	\$ 0.014920 /\$100
12.	2021 contract tax rate.	\$0 /\$100
13.	2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero.	\$0 /\$100
14.	2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0 /\$100

¹Tex. Water Code § 49.236(a)(2)(C)
²Tex. Water Code § 49.236(a)(2)(D)
³Tex. Water Code § 49.23602(a)(2)(A)
⁴Tex. Water Code § 49.236(a)(2)(E)
⁵Tex. Water Code § 49.236(a)(2)(F)

2021 Developed Water District Voter-Approval Tax Rate Worksheet

Form 50-860

Line	Worksheet	Amount/Rate
15.	2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0 /\$100
16.	2021 total unused increment rate. ⁶ Add Lines 13, 14 and 15.	\$0 /\$100
17.	2021 voter-approval tax rate. Add lines 10, 11, 12 and 16.	\$ 0.082229 /\$100

SECTION 2: Mandatory Tax Election Rate

The mandatory tax election rate is the highest total tax rate a developed water district may adopt without holding an election. The mandatory tax election rate is the rate that would impose 1.035 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district plus the unused increment rate. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.⁷

Line	Worksheet	Amount/Rate
18.	2020 average taxable value of residence homestead. Enter the amount from Line 3.	\$ 91,473
19.	2020 adopted total tax rate.	\$ 0.086911 /\$100
20.	2020 total tax on average residence homestead. Multiply Line 18 by Line 19.	\$ 79.50
21.	2021 mandatory election amount of taxes per average residence homestead. Multiply Line 20 by 1.035.	\$ 82.28
22.	2021 mandatory election tax rate, before unused increment. Divide Line 21 by Line 9 and multiply by \$100.	\$ 0.082427 /\$100
23.	2021 mandatory tax election rate. Add Line 16 and Line 22.	\$ 0.082427 /\$100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate and mandatory tax election rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Water Code.⁸

Jo Ella Wagner

Printed Name of Water District Representative

Water District Representative

Date

⁶Tex. Tax Code § 26.013

⁷Tex. Water Code § 49.23602(a)(2)

⁸Tex. Water Code § 49.23602

EXPENDITURES

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

Kleberg County
\$1,339,666,291
Nueces County
\$1,137,956,648
Total
\$2,477,622,939
I&S Rate
0.014920

Water District

Notice of Public Hearing on Tax Rate

The South Texas Water Authority Board of Directors will hold a public hearing on a proposed tax rate for the tax year 2021 on September 7, 2021 at 5:30 p.m. at the South Texas Water Authority Office located at 2302 East Sage Road, Kingsville, Texas 78363. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.086911 /\$100 Adopted	\$0.082426 /\$100 Proposed
Difference in rates per \$100 of value		-\$0.004485 /\$100
Percentage increase/decrease in rates(+/-)		-5.16%
Average appraised residence homestead value	\$96,473	\$104,825
General exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$5,000	\$5,000
Average residence homestead taxable value	\$91,473	\$99,825
Tax on average residence homestead	\$79.50	\$82.28
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)	+ \$2.78	
and percentage of increase (+/-)	+ 3.50%	

NOTICE ON VOTE ON TAX RATE

If the district adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5%, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code.

The 86th Texas Legislature modified the manner in which the voter-approved tax rate is calculated to limit the rate of growth of property taxes in the state.

2021 SOUTH TEXAS WATER AUTHORITY TAX RATE ROLLBACK WORKSHEET

	Nueces	Kleberg	Total
2020 Total Market Value of Residences	\$295,053,138	\$483,773,000	\$778,826,138
2020 Total Parcels	3,395	4,678	8,073
1 2020 average appraised value of residence homestead			\$96,473
2 2020 general exemptions available for the average homestead (excluding age 65 or older or disabled person's exemptions)			\$5,000
3 2020 average taxable value of residence homestead (line 1 minus line 2)			\$91,473
4 2020 adopted M&O tax rate (per \$100 of value)			\$0.070971
5 2020 M&O tax on average residence homestead (multiply line 3 by line 4, divide by \$100)			\$64.92
6 Highest M&O tax on average residence homestead with increase (multiply line 5 by 1.035.)			\$67.19
2021 Total Market Value of Residences	\$320,394,608	\$528,164,471	\$848,559,079
2021 Total Parcels	3,411	4,684	8,095
7 2021 average appraised value of residence homestead			\$104,825
8 2021 general exemptions available for the average homestead (excluding age 65 or older or disabled persons exemptions)			\$5,000
9 2021 average taxable value of residence homestead (line 7 minus line 8)			\$99,825
10 Highest 2021 M&O Tax Rate (line 6 divided by line 9, multiply by \$100)			\$0.067309 /\$100
11 2021 Debt Tax Rate			\$0.014920 /\$100
12 2021 Contract Tax Rate			\$0.000000 /\$100
13 2020 Unused Incremental Rate - subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approved tax rate. If the number is less than zero, enter zero. If the year is prior to 2020 enter zero.			\$0.000000 /\$100
14 2019 Unused Incremental Rate - subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approved tax rate. If the number is less than zero, enter zero. If the year is prior to 2020 enter zero.			\$0.000000 /\$100
15 2018 Unused Incremental Rate - subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approved tax rate. If the number is less than zero, enter zero. If the year is prior to 2020 enter zero.			\$0.000000 /\$100
16 2021 Total Unused Incremental Rate - add lines 13, 14, and 15			\$0.000000 /\$100
17 2021 Voter Approved Tax Rate - add lines 10, 11, 12 and 16.			\$0.082229 /\$100

The mandatory tax election rate is the highest total tax rate a developed water district may adopt without holding an election. The mandatory tax election rate is the rate that would impose 1.035 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district plus the unused increment rate. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

WORKSHEET

18 2020 Average Taxable Value of Residence Homesteads - Enter the amount from Line 3.	\$91,473
19 2020 Adopted Total Tax Rate.	\$0.086911 /\$100
20 2020 Total Tax on Average Residence Homestead. Multiply Line 18 by Line 19	\$79.50
21 2021 Mandatory Election Amount of taxes per average residence homestead. Multiply line 20 by 1.035.	\$82.28
22 2021 Mandatory Election Tax Rate before unused increment. Divide Line 21 by 9 and multiply by \$100.	\$0.082427
23 2021 Mandatory Tax Election Rate. Add Line 16 and Line 22.	\$0.082427

Signed: Jo Ella Wagner, Finance Manager

Water District

Notice of Public Hearing on Tax Rate

The South Texas Water Authority Board of Directors will hold a public hearing on a proposed tax rate for the tax year 2021 on September 7, 2021 at 5:30 p.m. at the South Texas Water Authority Office located at 2302 East Sage Road, Kingsville, Texas 78363. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

- FOR** the proposal: *Names will be filled in.*
AGAINST the proposal: *Names will be filled in.*
PRESENT and not voting: *Names will be filled in.*
ABSENT: *Names will be filled in.*

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.086911 /\$100 Adopted	\$0.082426 /\$100 Proposed
Difference in rates per \$100 of value		-\$0.004485 /\$100
Percentage increase/decrease in rates(+/-)		-5.16%
Average appraised residence homestead value	\$96,473	\$104,825
General exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$5,000	\$5,000
Average residence homestead taxable value	\$91,473	\$99,825
Tax on average residence homestead	\$79.50	\$82.28
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)		+ \$2.78 + 3.50%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the water district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

THIS LOWER PORTION IS NOT PUBLISHED - FOR INTERNAL INFORMATION ONLY

Total of Debt Service Expenses at % collection below:	\$ 369,658.00	Kleberg
100%		\$1,339,666,291
		Nueces
Certified Taxable Value	\$ 2,477,622,939	\$1,137,956,648
I&S Tax included in Proposed Rate Above	\$0.014920	Total
Actual M&O Tax Rate Proposed	\$0.067506	\$2,477,622,939
	\$0.082426	DS Requirement
		\$ 369,658
	Percent Collection	100%

Kleberg CAD Values

	2020 Market	Count	
A1	\$426,862,995	4329	
A3	\$1,089,950	19	
E1	<u>\$55,820,055</u>	<u>330</u>	
	\$483,773,000	4678	\$103,414

	2021 Market	Count	
A1	\$464,683,136	4334	
A3	\$1,233,080	19	
E1	<u>\$62,248,255</u>	<u>331</u>	
	\$528,164,471	4684	\$112,759

Increase or (Decrease) in Avg Home \$9,345

Nueces CAD Values

2020 AVERAGE HOME VALUE RAW DATA

CATE.	TOTAL TAXABLE	TOTAL MKT VALUE	
A		97,721	5
A1		252,780,649	2704
A2		11,713,368	453
E1		30,068,042	222
		393,358	11
TOTAL	0	295,053,138	3395 # OF PARCELS
AHV	0	86,908	

2021 AVERAGE HOME VALUE RAW DATA

CATE.	TOTAL TAXABLE	TOTAL MKT VALUE	
A		119,749	3
A1		274,122,361	2711
A2		12,978,281	467
E1		32,792,740	221
E1M		381,477	9
TOTAL	0	320,394,608	3411 # OF PARCELS
AHV	0	93,930	
Increase or (Decrease) in Avg Home Value		7,022	

ATTACHMENT 8
Banquete Pump Station

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2021
Re: Update on Banquete Pump Station (PS) Project to Serve the Nueces Water Supply Corporation (NWSC) and Nueces County Water Control and Improvement District #5

Background:

Enclosed are the most recent emails pertaining to the Banquete Pump Station. As you can see, the Texas Water Development Board (TWDB) walk-through to finalize the project was scheduled and the TWDB consultant is finalizing the paperwork. Meanwhile, it appears that the Nueces County Attorney, Jenny P. Dorsey, has been working on conveyance documents in order to transfer ownership to the Nueces Water Supply Corporation (new pump station) and the South Texas Water Authority (improvements at the existing pump station). This information has been provided to Bill Flickinger, Willatt and Flickinger. (See enclosed email and document.)

Analysis:

Nueces County Commissioners Court will need to take action on the conveyance documents in order for the South Texas Water Authority Board to formally accept title. These facilities are intended to be transferred to the Nueces County Water Control and Improvement District #5. The facilities are a hydro-pneumatic tank, controls and compressor. The Nueces Water Supply Corporation has agreed to transfer title to the pumps at the existing pump station. District #5 can opt to have STWA provide M&O services for the pump station in the same manner as the City of Driscoll.

Staff Recommendation:

Keep the Board updated on this project.

Board Action:

Provide feedback to staff.

Summarization:

The construction of this project is complete. The paperwork is now what remains.

From: Joe Trejo <jtrejo@ardurra.com>
Sent: Thursday, July 29, 2021 3:56 PM
To: Maria M. Bedia; Carola G. Serrato (mcgserrato@stwa.org); J. S. Haren
Cc: Robert Viera; Hector Castaneda; John Miller; 'Joe Martinez'; 'Dony Cantu'; Natalie Eckstrom; Joe Trejo
Subject: July 29, 2021 Closeout Update - FW: TWDB - FW: Final Inspection Banquete Booster Station Project - TWDB- July 16, 2021 - Project 62622

Update on Banquete Final – in Red -

1. No further change orders anticipated. (Done)
2. Final Payment request from Contractor JS Haren Construction (Received).
3. Affidavit by the Contractor that all bills have been paid (Need from JS Haren).
4. Certificate of Construction Completion (Ardurra preparing).
5. Acceptance by the County (Commissioner's Court meeting date to be set).
6. Beginning of Warranty Period.(Start Period will Be June 17).
7. As built drawings to be sent to the County and STWA (Ardurra Completed, will distribute).

The Texas Water Development Board (TWDB) to issue the Certificate of Approval allowing the release of retainage.(Waiting on TWDB Certificate).

Also need the windstorm information.

Thanks – Please advise on information in Red if anything else is needed.



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



From: Joe Trejo
Sent: Monday, July 26, 2021 4:09 PM
To: David James <David.James@twdb.texas.gov>; 'Maria M. Bedia' <maria.bedia@nuecesco.com>; mcgserrato@stwa.org; J. S. Haren <jsharen@jsharen.com>
Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>; 'Joe Martinez' <jmartinez@bathgroup.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Natalie Eckstrom' <natalie.eckstrom1@nuecesco.com>
Subject: RE: Final Inspection Banquete Booster Pump Station Project - TWDB- July 16, 2021 - Project 62622

David – is anything else needed by TWDB for the final approval and acceptance of the project –

Please advise –

Thanks – we are proceeding to finalize all requirements and take to County Commissioner's for Project Acceptance in the near future –



Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: Joe Trejo

Sent: Monday, July 19, 2021 2:29 PM

To: David James <David.James@twdb.texas.gov>; 'Maria M. Bedia' <maria.bedia@nuecesco.com>; mcgserrato@stwa.org; J. S. Haren <jsharen@jsharen.com>

Cc: Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>; John Miller <jamiller@ardurra.com>; 'Joe Martinez' <jmartinez@bathgroup.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Natalie Eckstrom' <natalie.eckstrom1@nuecesco.com>; Joe Trejo <jtrepo@ardurra.com>

Subject: Final Inspection Banquete Booster Pump Station Project - TWDB- July 16, 2021 - Project 62622

The construction contract final inspection occurred Friday July 16, 2021 and was performed by Mr. David James representing the TWDB –

No issues were noted and attached is the sign in sheet of those in attendance.

Please advise of any other comments or requirements -

Close out procedures per the Contract Documents and the TWDB section are as follows –

1. No further change orders anticipated.
2. Final Payment request from Contractor JS Haren Construction (Received).
3. Affidavit by the Contractor that all bills have been paid (Need from JS Haren Construction).
4. Certificate of Construction Completion (Ardurra to provide).
5. Acceptance by the County (Commissioner's Court meeting date to be set for Project Acceptance – will advise).
6. Beginning of Warranty Period.
7. As built drawings to be sent to the County and STWA (Ardurra to provide).

The Texas Water Development Board (TWDB) to issue the Certificate of Approval allowing the release of retainage.

Thanks to All on this Project – If I may answer any questions, please advise.



Joe Trejo, PE RPLS
Senior Project Engineer

jtrepo@ardurra.com

O: 361-883-1984

801 Navigation BLVD, STE 300
Corpus Christi TX, 78408

www.ardurra.com



From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, July 28, 2021 5:01 PM
To: mcserrato@stwa.org
Cc: Jo Ella Wagner; Frances Rosales
Subject: RE: Transfer of Title - NWSC and STWA - New Banquete PS
Attachments: 20210728165236.pdf

Carola:

I have reviewed the utility conveyance agreements. Provided both Exhibits A are correct, I have only the following minor comments:

Both documents require updating the year on the notary acknowledgements.

On the STWA document I noted some proposed hand-written changes which are attached.

The NWSC document looks fine subject to checking Exhibit A and changing the year on the notary acknowledgements as indicated above.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Friday, July 23, 2021 4:28 PM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: FW: Transfer of Title - NWSC and STWA - New Banquete PS

Bill,

Please review these conveyance agreements for STWA and NWSC. The pdf file was sent by me to Maria as the easiest way to separate the facilities. Joe Trejo has not responded; but, I would be surprised if he changes anything. I don't know when Nueces County will have these items on an agenda; however, it would be great if you had already reviewed them and NWSC/STWA would be able to agree to executing (or not if changes are needed).

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

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

Sent: Friday, July 23, 2021 4:04 PM

To: Joe Trejo <jtrepo@ardurra.com>; Robert Viera <rviera@ardurra.com>; Hector Castaneda <hcastaneda@ardurra.com>

Cc: Carola G. Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>; Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>

Subject: FW: Transfer of Title - NWSC and STWA - New Banquete PS

Good afternoon, Joe. Can you please review the attached Utility Conveyance Agreements, specifically Exhibit A on each one, to verify the "facilities" listed? Please let me know if there are any changes necessary.

Thank you,
Maria

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

Sent: Tuesday, July 20, 2021 9:58 AM

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

Cc: Natalie Eckstrom <natalie.eckstrom1@nuecesco.com>; Bill Flickinger <bflickinger@wfaustin.com>; John Marez <jmar326@yahoo.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fyrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; ngomez@stwa.org

Subject: Transfer of Title - NWSC and STWA - New Banquete PS

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

Good Morning Maria,

Attached is the Banquete PS breakdown of items with my notes on how I believe the transfer of title should be separated between the Nueces Water Supply Corporation and the South Texas Water Authority. Some of the items are crossed through since they do not involve any actual facilities. Also, rather than confuse matters, I think any transfer to the NCWCID#5 should occur as a transaction between STWA and District #5. In the past, I believe there may also have been a general description referring to the project name.

I hope this helps. I have copied Bill Flickinger, NWSC's attorney, on this email. He is aware of the project and the need to have NWSC and STWA own the facilities.

As we discussed on Friday, my last day is August 2nd; but, I intend to work until the last day.

Take Care.

Carola

Carola G. Serrato
General Manager

Nueces Water Supply Corporation

2302 East Sage Rd
Kingsville, Texas 78363
361-592-1720 x112

UTILITY CONVEYANCE AGREEMENT
BETWEEN
NUECES COUNTY
AND
SOUTH TEXAS WATER AUTHORITY

CONSERVATION AND RECLAMATION AUTHORITY AND POLITICAL SUBDIVISION OF THE STATE OF TEXAS

This Agreement is made and entered into effective _____, 2021 by and between the South Texas Water Authority, a ~~Texas Authority organized under Article 1434a of Vernon's Annotated Texas Civil Statutes~~, (herein referred to as "Authority") and Nueces County, Texas, a political subdivision of the State of Texas, whose address is 901 Leopard, Corpus Christi, Texas 78401 (herein referred to as "County").

Commented [MMB1]: I know this applies to the Nueces Water Supply Corporation, but I am not sure about South Texas Water Authority.

WHEREAS, the Authority, was created for the purpose of furnishing water to the land within its service area and is ~~recognized as a political subdivision for certain purposes,~~ *of the State of Texas;*

WHEREAS, the County, pursuant to Texas Water Development Board Project No. 62622, has installed and acquired ownership of a water distribution system, "Facilities," as outlined in detail in Exhibit A to transport fresh water to the Cindy Park and The Ranch Colonia;

WHEREAS, the County may periodically sell the County's surplus property to another political subdivision with the County in accordance to Chapter 263 of the Texas Local Government Code;

WHEREAS, the County desires to dispose of the Facilities as surplus property as defined by Section 263.151(2) of the Texas Local Government Code to Authority, and

WHEREAS, the Authority is providing water service within the County and Authority shall provide maintenance and repair of the Facilities in exchange for the applicable conveyance of the Facilities; and

WHEREAS, the County wishes to convey and Authority wishes to take title to such Facilities so that Authority can provide fresh water in the service area.

NOW THEREFORE the parties for and in consideration of the premises and of the mutual obligations, covenants, and benefits herein after set forth, agree as follows:

1. CONVEYANCE OF UTILITY.
County hereby sells, conveys, transfers and delivers to Authority improvements, Facilities, made as part of Texas Water Development Board Project No. 62622, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, or restrictions. The Facilities being conveyed are as described in Exhibit A herein attached.

2. ASSIGNMENT

County hereby assigns all of its rights pertaining to Facilities made as part of Texas Water Development Board Project No. 62622 under Construction Contracts to Authority and agrees to make provisions for the transfer of the performance and payment bonds, and guarantees and warranties executed by the contractors and all other rights of County pursuant to the provisions of the Construction Contracts.

3. REPRESENTATIONS BY COUNTY

Except for the warranties expressly set forth herein, and the express covenants of County set forth herein, there are no warranties given by the County to Authority, expressed or implied, and all such warranties are hereby disclaimed by County and released by Authority. County represents to Authority that:

- (a) The Facilities hereby conveyed to Authority is free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, and restrictions.
- (b) County warrants and represents that, at the same time of this conveyance, the Facilities meet all requirements of the County and all other state and governmental requirements.
- (c) County represents that the Facilities have been constructed entirely within the dedicated county and public right-of-way, except for easements previously acquired by the County.
- (d) County is in possession of Facilities and no objection to the location or use of the improvements or adverse claims of title to the lands, easements, rights-of-way, licenses, permits, or leases on which the improvements are situated are presently being asserted by any person or persons.
- (e) There are no actions, suits, or proceedings pending or, to the knowledge of County, threatened or affecting the Facilities to be conveyed hereunder and there are no pending condemnation proceedings of which County is aware connected with the improvements being conveyed hereunder.
- (f) This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by County.
- (g) This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which County is a party.

4. EXPENSES

Except as specifically set forth herein, each party shall pay its own expenses incident to carrying this Agreement into effect and consummating all transactions contemplated hereby.

5. FURTHER ASSURANCES

In connection with this Agreement as well as the transactions contemplated by this Agreement, each signatory party hereto agrees to execute and deliver additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all the terms and provisions and conditions of this Agreement and all such transactions.

6. REPRESENTATIONS SURVIVE CONVEYANCE

The Agreements and representations made in this Agreement by the Parties to this Agreement shall survive the conveyance of the Facilities.

7. MISCELLANEOUS

This agreement shall be governed by, and construed in accordance with the laws of the State of Texas and can be amended or terminated only by an agreement in writing by the parties hereto. This Agreement embodies the agreement in writing signed by the parties hereto. This Agreement embodies the entire understanding between the parties and there are no prior effective representations, warranties, or agreements between the parties.

8. RESPONSIBILITIES OF THE AUTHORITY

Authority shall comply with the TCEQ and EPA water quality standards and shall be responsible for daily operations including but not limited to pumps, motors, tanks, force main, leaks, customer concerns, etc. Further, Authority shall be responsible for all maintenance including but not limited to replacement of equipment.

9. INDEMNITY

AUTHORITY, AS PERMITTED BY LAW, SHALL SAVE HARMLESS THE COUNTY AND ITS OFFICERS AND EMPLOYEES FROM ALL CLAIMS FOR DAMAGES BY PERSONS OR ENTITEIS NOT A PARTY TO THIS AGREEMENT, INCLUDING DAMAGES, ATTORNEY'S FEES AND COSTS OF DEFENSE, INSOFAR SUCH CLAIMS ARE BASED ON ANY ACT OR OMISSION BY AUTHORITY AT ANY TIME RELATING TO THIS AGREEMENT.

(SIGNATURE PAGE FOLLOWS)

WITNESS the execution of this Agreement in multiple counterparts, each of equal dignity, as of ____ day of _____, 2021.

SOUTH TEXAS WATER AUTHORITY

Printed Name: _____
Title: _____

NUECES COUNTY

Barbara Canales
Nueces County Judge

THE STATE OF TEXAS
COUNTY OF NUECES

This instrument was acknowledged before me on the ____ day of _____, 20²¹₁₉
by _____ of South Texas Water Authority.

NOTARY PUBLIC, STATE OF TEXAS

My Commission expires: _____

THE STATE OF TEXAS
COUNTY OF NUECES

This instrument was acknowledged before me on the ____ day of _____, 20²¹₁₉
by _____ of Nueces County.

NOTARY PUBLIC, STATE OF TEXAS

My Commission expires: _____

EXHIBIT A

DESCRIPTION	QUANTITY	UNIT
NEW ELECTRICAL DISTRIBUTION SYSTEM INCLUDING MAIN BREAKER, MOTOR CONTROL CENTER, AUTOMATIC TRANSFER SWITCH, LIGHTING TRANSFORMER, GROUNDING, LIGHTING PANEL AND ALL ELECTRICAL FOR NEW HYDROPNEUMATIC TANK AT EXISTING BANQUETE PUMP STATION	1	LS
INSTRUMENTATION INCLUDING ALL FLOW, LEVEL, PRESSURE, AND ANALYTICAL DEVICES NOT PROVIDED WITH OTHER SYSTEMS	1	LS
ALL CONDUIT AND WIRE FOR POWER AND INSTRUMENTATION INCLUDING INSTALLATION, WIRING TERMINATION, AND TRENCHING	1	LS
VFD CONTROL PANEL FULLY WIRED AND TESTED	1	EA
COMBINED PUMP SCADA PANEL FULLY WIRED AND TESTED TO FUNCTION AS PUMP CONTROL AND SCADA PANEL, INCLUDING ALL SCADA INTEGRATION AND GRAPHICS	1	EA
DIESEL GENERATOR (80 KW, INCLUDING WEATHER PROOF, SOUND PROOF ENCLOSURE) INCLUDING CONTROLS, CONNECTIONS AND FOUNDATION, MEETING ALL OSHA STANDARDS	1	EA
6" WATERLINE	43	LF
7,500 GALLON HYDRO-PNEUMATIC TANKS INCLUDING ALL PIPING, FITTINGS, TIE-INS, CONTROLS, AIR COMPRESSOR, APPURTENANCES, FOUNDATION, SIGHT GLASS, PRESSURE-LEVEL SENSORS/TRANSMITTERS AND INSTRUMENTATION	1	LS
ELECTRICITY REQUIREMENTS IN BANQUETE BOOSTER PUMP STATION	1	LS

ATTACHMENT 9

NewGen Strategies and Solutions Proposal – Rate Study

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 27, 2021
Re: Incremental Fee – NewGen Strategies and Solutions, LLC (NewGen) Proposal

Background:

During the last meeting, the Board considered the enclosed proposal to update the previous study on the Incremental Fee. The Board determined not to proceed with an updated study. This information is being presented once again in the event the Board determines that an updated study is warranted should the Nueces County Water Control and Improvement District #5 (Banquete) determine that it will not enter into a long-term contract with South Texas Water Authority.

Recently, I was contacted by Mr. John Byrum, the Nueces River Authority's (NRA) Executive Director. The NRA has been approaching entities about providing wastewater management services. It is my understanding that District #5 has engaged NRA's services on a month-to-month basis and has not entered into a contract for those services. Mr. Byrum was asked for his opinion on the Wholesale Water Supply Contract and M&O Contract. Enclosed is a copy of the email sent to Mr. Byrum. Please note there are several attachments (which are not enclosed) which include past invoices and correspondence dating back to 2015. The attachments to said correspondence includes the contracts.

Analysis:

Since District #5 is not a large volume purchaser, recouping the cost of \$7,500 for the updated study would likely take a considerable amount of time. However, if the Board believes that increasing the Incremental Fee from the current Handling Charge of \$0.426386/1000g to another value is warranted, I would caution that should not be done without a revised study supporting that decision.

Staff Recommendation:

Consider whether the new executive director should be allowed a reasonable time period to negotiate a contract with District #5.

Board Action:

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

Summarization:

I cannot say that an updated study would provide the incentive or the supporting documentation to justify increasing the current Incremental Fee.

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Thursday, May 27, 2021 7:04 PM
To: mcserrato@stwa.org
Cc: Jo Ella Wagner; Frances Rosales; Katie Fowler
Subject: RE: Proposal - Update Incremental Fee Study
Attachments: STWA - Rate Review Engagement Letter (FY 2021).pdf

Carola –

As requested, please find the attached proposal to update the Wholesale Water Rate Study. On review, please let me know what edits may be needed to fully align with the District's Goals and Objectives.

Appreciate it,
Chris

If needed, feel free to book time on my calendar at this link <https://chrisekrut.youcanbook.me/>

Chris Ekrut | NewGen Strategies & Solutions, LLC
Chief Financial Officer
Director, Environmental Practice
275 W. Campbell | Suite 440 | Richardson, TX 75080
Office: (972) 232-2234 | Mobile: (214) 498-8132
cekrut@newgenstrategies.net
Please visit us at www.newgenstrategies.net

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Wednesday, May 26, 2021 9:11 AM
To: Chris Ekrut <cekrut@newgenstrategies.net>
Cc: Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: Proposal - Update Incremental Fee Study

Good Morning Chris,

The STWA Board met last night and reviewed the status of service to the one remaining wholesale customer without a contract, NCWCID#5 (Banquete – District #5). STWA has been attempting for years to negotiate a contract with District #5 without success. District #5 has been paying the Incremental Fee since it was implemented in late 2017. The fee is twice the Handling Charge of about 42 cents per 1000g.

The Board is interested in a proposal to update the previous study. STWA realizes that District #5 is only a small portion of overall sales.

The following is a brief history on the contract negotiations:

- District #5 originally raised objections to the initially offered contract which contained provisions for sharing of facilities on a prorated basis – Nueces WSC owned pumps, STWA owned an elevated storage tank (EST) and District #5 owned ground storage facilities.
- When it appeared this was a hard line, STWA and NWSC worked with Nueces County on a project to extend retail service to three subdivisions and a new, separate pump station was constructed using TWDB grant monies and committed funds from STWA and NWSC. The new pump station is now in service and NWSC has agreed to gift the

pumps to either STWA or District #5. The EST was demolished and a separate pressure plane (hydro-pneumatic tank/compressor system) was installed as part of the project – which will be gifted to District #5.

- Despite these efforts and providing information on the contract and operations (in writing and in person), the District has not agreed to the contract. It warrants mention that the contract is basically the standard contract that STWA's other wholesale customers have executed. The major exception is a "Fee in Lieu of Taxes" which is charged since STWA surrounds the district but does not incorporate those properties. This fee is recalculated every year by dividing District #5's certified taxable value by \$100 and multiplying times STWA's adopted total tax rate and dividing by 12. That figure is included in District #5's monthly invoice.
- Although this applies to NWSC, their contract will need to be amended since they signed their wholesale contract under the assumption that the "old" Banquete Pump Station would be shared on a prorated basis.

Please let me know if NewGen is interested in updating the study. STWA can provide information on all its customers' sales as well as the amounts paid to date in Incremental fees by all customers since the fee was first implemented.

Contact me if you have any questions.

BTW, I will be retiring soon. I am hoping my replacement will be selected in the next month or 2.

Have a good day,
Carola

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



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

May 27, 2021

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

Subject: Proposal for Wholesale Water System Rate Study Update

Dear Ms. Serrato:

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

PROPOSED SCOPE OF SERVICES

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

Task 1 – Data Collection

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

Task 2 – Test Year Revenue Requirement

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

Task 3 – Cost Functionalization

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

Ms. Carola Serrato
May 27, 2021
Page 2

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

Task 4 – Development of Wholesale Water Rates

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

Task 5 – Staff and Board Presentation

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

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

PROJECT TIMING

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

PROJECT FEES

Costs incurred by NewGen under this agreement will not exceed \$7,500.00 without prior written authorization of STWA. NewGen shall not be required to furnish services or incur expenses above \$7,500.00 without prior written authorization and additional funding committed by STWA. This agreement is subject to cancellation by STWA with thirty (30) days prior written notice provided to NewGen. In the event of cancellation, all labor and expense charges incurred by NewGen through the date of cancellation will be considered due at the time notice of cancellation is delivered, regardless of work product and/or engagement status.

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

Ms. Carola Serrato
May 27, 2021
Page 3

**NewGen Strategies and Solutions
2021 Billing Rates**

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

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

OTHER TERMS AND CONDITIONS

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

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

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

Very truly yours,

NewGen Strategies and Solutions, LLC

DocuSigned by:
Chris D. Ekrut
FB62F346CFA8440...

Chris D. Ekrut
Chief Financial Officer

Ms. Carola Serrato

May 27, 2021

Page 4

South Texas Water Authority

Signed _____

Printed _____

Title _____

Date _____

ATTACHMENT 10

City of Corpus Christi Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2021
Re: City of Corpus Christi Wholesale Water Supply Contract (Contract)

Background:

Enclosed is an email from Mr. Bill Flickinger, Willatt and Flickinger, with a proposed response to Lisa Aguilar, Corpus Christi Assistant City Attorney, to the City's draft wholesale water supply contract. The response is in the form of a marked version of the contract as well as a draft email to Ms. Aguilar.

Analysis:

I have reviewed Mr. Flickinger's response and amended language and agree that the response should be sent to Ms. Aguilar. This information was also provided to Mr. John Marez in anticipation of his consultant contract being executed.

Staff Recommendation:

Provide the response to Ms. Aguilar and continue to work with legal counsel on negotiating a contract with the City of Corpus Christi.

Board Action:

Provide feedback to legal counsel, consultant and staff.

Summarization:

As mentioned on more than one occasion, this contract will likely take some time to negotiate.

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Friday, July 30, 2021 9:20 AM
To: mcgserrato@stwa.org
Cc: Allison Nix; John Marez; Jo Ella Wagner; Frances Rosales
Subject: RE: STWA - Agenda Packet Item for Corpus Christi Contract
Attachments: 20210730091443.pdf; STWA - LA 5-10-21 Review of BF Redline Dated 2-13-21 Showing Proposed Changes to 10-30-20 Draft by Lisa Aguilar of Corpus Christi Contract for Supply of Tr.docx

Carola:

Attached is the revised draft email to Lisa Aguilar for the packet. Thank you.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Friday, July 30, 2021 8:13 AM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Allison Nix <anix@wfaustin.com>; John Marez <jmarez@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: RE: STWA - Agenda Packet Item for Corpus Christi Contract

Good Morning Bill,

Attached are my comments pertaining to your draft email to Lisa Aguilar and the mark-ups in the contract. The City charges STWA as a **Public Agency for Resale** which is a specific item in their annually adopted rate ordinance. This is noted in your draft email and the contract. I believe it is important to point out that STWA's customers are all public entities and not industry which is a major difference in STWA's sales – if need be, pointing out that STWA has restrictions on its sales related to the tax exempt bonds could also support that statement. Finally, there is a small typo noted in the attachment – “no” instead of “not.”

If you can provide these changes early today, I would very much appreciate it. Otherwise, the agenda packet will go out with my handwritten notes on the attached together with this email.

Thanks for everything,

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, July 28, 2021 3:56 PM
To: Carola Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>
Cc: Allison Nix <anix@wfaustin.com>
Subject: STWA - Agenda Packet Item for Corpus Christi Contract

Carola:

Attached is my draft response to Lisa Aguilar. Please review it and if acceptable I recommend it be part of the agenda packet for the August 3, 2021. We would be looking for the Board to authorize me to send the response.

Thank you.

Very truly yours,

Bill Flickinger

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

Phone: (512) 476-6604

Facsimile: (512) 469-9148

Email: bflickinger@wfaustin.com

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DRAFT

Bill Flickinger

To: Lisa Aguilar [LGL]
Cc: Carola Serrato (mcgserrato@stwa.org); Allison Nix; Kevin Norton; Gabriel Ramirez; Wesley Nebgen; Esteban Ramos
Subject: RE: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water
Attachments: STWA - LA 5-10-21 Review of BF Redline Dated 2-13-21 Showing Proposed Changes to 10-30-20 Draft by Lisa Aguilar of Corpus Christi Contract for Supply of Tr.docx

Dear Lisa:

STWA has the following comments after reviewing your attached redline draft and comments sent with your email dated May 25, 2021:

We believe a meeting would be helpful to discuss this agreement and to move the negotiations forward. Please advise when you and the City Staff would be available for a Zoom or in-person meeting.

I am providing our feedback to each of your numbered comments as follows:

LA[1] (on page 2): The five year average annual use for FY 15-19 was 1,641 acre-feet. A not-to-exceed amount could be around that number. You also disagreed with the other changes in Section 4a and 4b. We would like to discuss those further.

LA[2] (on page 3): An emergency situation would be a major line failure or the failure of wells utilized by the City of Kingsville and the City of Bishop to supplement water received from STWA. Currently the City of Kingsville purchases 403 acre-feet but would need 4,029 acre-feet if all of its wells failed. The City of Bishop currently purchases 12 acre-feet but would need 24 acre-feet if all of its wells failed. So, the inserted number should be around 3638.

LA[3] (on page 3): Your deletion is acceptable.

LA[4] (on page 3): Yes, we can look at referencing the ordinance provided the settlement agreement terms are incorporated therein.

LA[5] (on page 4): We need to understand the City's position on the quality of the water delivered. STWA assumes the water is drinking quality at the delivery point.

LA[6] (on page 4): We are all in agreement and the exhibit will be attached prior to execution.

LA[7] and LA[8] (on page 5): Please review this section now that STWA has provided a quantity above. The STWA is opposed to a minimum payment and the history with Corpus Christi shows a consistent purchase of water so a minimum payment should not be needed. The City charges STWA as a Public Agency for Resale. All of STWA's customers are public entities and none are industries. Also, on page 5 please note that we need to correct the reference to outside City limits (OCL) customers in Section 10a because STWA is not an OCL customer.

LA[9] (on page 6): This is an old and complicated section. Would it be possible to simplify it to state which customers are currently directly served by STWA and that any service to customers other than those current direct customers will require City approval? We want to make the provision as simple as possible.

On page 7: In paragraph e, the inserted phrase contains a typo that needs corrected. It should state, "or such entity has determined no plat is required."

LA[10] (on page 8): Our previously marked changes should suffice.

LA[11] (on page 8): The reason for the requested deletion is that STWA cannot tell what these future applications might contain.

LA[12] (on page 9): We have concerns with including desalinated water due to the cost.

LA[13] (on page 10): The old contract provision was designed to terminate the contract if it was not needed and primarily if the STWA facilities were not constructed within four years. We do not believe an early termination clause is warranted, however, if one is needed, we recommend that the parties be authorized to terminate the contract if STWA ceases to take any water for two years.

LA[14] (on page 13): We believe these changes are reasonable and would like to discuss them at our meeting.

LA[15] (on page 16): This is an issue because the section does not include any of the terms and conditions, including price that may be unique to serving the City depending on where service is connected and how much water is needed by the City. We would like to discuss this further at our meeting.

We look forward to working on these changes. Thank you for your help in moving this project forward.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: Lisa Aguilar [LGL] <LisaA@cctexas.com>

Sent: Tuesday, May 25, 2021 3:09 PM

To: Bill Flickinger <bflickinger@wfaustin.com>

Cc: Carola Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Allison Nix <anix@wfaustin.com>; Kevin Norton <KevinN@cctexas.com>; Gabriel Ramirez <GabrielR@cctexas.com>; Wesley Nebgen <WesleyN@cctexas.com>; Esteban Ramos <EstebanR2@cctexas.com>

Subject: Re: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Good afternoon,

Here is my redline including comments, pending additional City staff review.

Thank you,

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

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From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Saturday, May 15, 2021 9:32 AM
To: Lisa Aguilar [LGL] <LisaA@ccctexas.com>
Cc: Carola Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: RE: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

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Lisa:

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

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: Bill Flickinger

Sent: Friday, April 23, 2021 9:51 AM

To: Lisa Aguilar [LGL] <LisaA@cctexas.com>

Cc: Carola Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>; Allison Nix <anix@wfaustin.com>

Subject: RE: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Hi Lisa:

We deleted that section for several reasons, which are:

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

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

Very truly yours,

Bill Flickinger

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

Phone: (512) 476-6604

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

Good morning Bill,

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

Thank you,

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

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From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Monday, April 19, 2021 2:17 PM
To: Lisa Aguilar [LGL] <LisaA@cctexas.com>
Cc: Carola Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: FW: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

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Lisa:

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

Very truly yours,

Bill Flickinger

Willatt & Flickinger, PLLC

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

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

Email: bflickinger@wfaustin.com

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

Lisa:

Have you had a chance to review this revised draft? Thank you.

Very truly yours,

Bill Flickinger

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

Phone: (512) 476-6604
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Email: bflickinger@wfaustin.com

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From: Bill Flickinger
Sent: Saturday, February 13, 2021 2:05 PM
To: Lisa Aguilar [LGL] <LisaA@cctexas.com>; mcgsserrato@stwa.org

Cc: Kevin Norton <KevinN@cctexas.com>; Gabriel Ramirez <GabrielR@cctexas.com>; Allison Nix <anix@wfaustin.com>
Subject: Draft Contract between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water

Dear Lisa:

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

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

Thank you.

Very truly yours,

Bill Flickinger

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

Phone: (512) 476-6604
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From: Lisa Aguilar [LGL] <LisaA@cctexas.com>
Sent: Friday, October 30, 2020 2:53 PM
To: mcserrato@stwa.org; Bill Flickinger <bflickinger@wfaustin.com>
Cc: Kevin Norton <KevinN@cctexas.com>; Gabriel Ramirez <GabrielR@cctexas.com>
Subject: Re: Executed Agreement City and STWA - Meter Relocation - 42" waterline

Good afternoon,

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

Thank you,

Lisa Aguilar
Senior Assistant City Attorney

City of Corpus Christi
1201 Leopard
Corpus Christi, Texas 78401
lisa@cctexas.com
(361) 826-3378

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BF REDLINE DATED 2/13/21 SHOWING CHANGES
TO 10/30/20 DRAFT BY LISA AGUILAR

**CONTRACT BETWEEN THE CITY OF CORPUS CHRISTI AND
SOUTH TEXAS WATER AUTHORITY FOR SUPPLY OF TREATED WATER**

{Draft of 10/30/2020}

This Contract Between the City of Corpus Christi and South Texas Water Authority for Supply of Treated Water ("Contract"), is made as of the date of last authorized signature by and between the City of Corpus Christi, ("City"), a Texas home-rule municipal corporation, whose address is P. O. Box 9277, Corpus Christi, Texas 78469-9277, and acting through its duly authorized City Manager, or the City Manager's designee ("City Manager"), and South Texas Water Authority, a conservation and reclamation Authority and political subdivision of the State of Texas, 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 ("Authority") whose address is 2302 East Sage Road Kingsville, Texas 78363, acting by and through its duly authorized representative ("Authority's Representative").

The Authority wants to continue to divert and use treated water for resale for municipal and agricultural purposes, and the City desires to continue allowing or otherwise facilitating the delivery and use of treated water by the Authority.

In consideration of the above recitals and the mutual promises, covenants, and agreements, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. CONSTRUCTION OF FACILITIES.

a. Authority has constructed or caused to be constructed at no expense to City, a water transmission main, pumping and storage facilities, and related appurtenances to permit taking water by Authority from the O. N. Stevens Water Treatment Plant to serve portions of Nueces and Kleberg Counties.

b. Any new facilities to be constructed by Authority facilities shall be constructed in accordance with plans and specifications to be prepared by Authority and acceptable to City and may, at the option of Authority, be built in stages as the needs of Authority may require. Approval by City shall relate to those matters which might affect the potential rate and quantity of taking, and land owned by City.

c. Authority shall be responsible for obtaining and maintaining any permits necessary for the construction, operation, and maintenance of the contemplated water main and related appurtenances of Authority.

d. The water main and related improvements constructed by Authority shall be maintained, operated, and repaired by Authority.

2. RIGHT OF WAY AND EASEMENTS.

a. Authority shall be responsible for the acquisition of all easements, rights-of-way, and land necessary for the construction, operation, and maintenance of the facilities to be built by Authority.

b. Access to and use of rights-of-way, land, or easements held by or belonging to City will be provided to Authority without cost where necessary as determined by plans and specifications of Authority facilities as prepared by Authority and acceptable to City.

3. RELOCATION.

a. If City determines that it is necessary to adjust or relocate facilities constructed by Authority in order that lands or easements belonging to City can be used for water treatment facility improvements, Authority shall bear the full cost of such facility adjustments or relocations.

b. City will give due and careful consideration to the location of Authority's facilities in planning new facilities and will, within the limits of sound engineering and ultimate total project cost to all agencies, minimize the required relocation of facilities by Authority.

4. QUANTITY OF TREATED WATER.

a. Subject to availability, ~~the City agrees to sell Authority during the term of this Contract or any renewal or extension thereof, subject to the conditions set forth herein, a supply of potable water to Authority not to exceed total of 2,200 [NOTE: NEED TO CONFIRM NUMBER] 22,400 acre feet in a calendar year (January 1 to December 31). However the City makes no guarantee that the water made available under this Contract will be available at any particular quantity, time or place.~~

b. Treated water is water to be made available to Authority from the City's O.N. Stevens Water Treatment Plant and may also include any other similar quality treated water available from any other City facility so long as the water is provided at the Point of Delivery at no additional expense to the Authority.

Commented [LA1]: Please advise of the requested quantities. We do not agree with changes to Section 4a or 4b.

c. If an emergency situation [NOTE: "EMERGENCY SITUATION" NEEDS TO BE DEFINED] arises, the City may deliver additional treated water. The City employee who serves as the Director with responsibilities over City utilities or designee, "Director", will determine how long the extra deliveries will last, the rate at which deliveries will be increased, and whether the increased deliveries will exceed 1,000 [NOTE: NEED TO CONFIRM NUMBER] 10,000 acre feet during a calendar year.

Commented [LA2]: Proposed definition: to be determined by Authority subject to review and agreement by the City Director or Assistant Director of Water

d. The Authority may request an increase in the amount of treated water delivered in a year ~~based on the extent of then uncommitted available water~~ [NOTE: HOW WILL THE UNCOMMITTED AVAILABLE WATER BE CALCULATED?]. The Director will consider the City's planned needs, the needs of its other water customers, and the needs of other communities in the region before committing to any increase in the Authority's annual deliveries. However, the City is under no obligation to authorize an increase in the annual deliveries. In the event an increase in the annual deliveries is authorized, ~~this~~ contract must be amended in writing to show the amount of increased deliveries.

Commented [LA3]: Proposed strike to "based on the extent of then uncommitted available water."

e. Authority's Maximum Daily limit is _____ gallons. [NOTE: NEED TO CALCULATE AND INSERT]

f. Authority's Maximum hourly drafting rate is _____ gallons. [NOTE: NEED TO CALCULATE AND INSERT]

5. POINT(S) OF DELIVERY OF TREATED WATER; MINIMUM PRESSURE; TITLE TO WATER.

a. Until the new water meter is installed as referenced in Section 10(c) below, the City will deliver the ~~treated water to Authority at the following delivery point:~~ O. N. Stevens Treatment Plant high-service pump building on the 48-inch main and any other points the City and Authority agree to in written amendment to this Contract.

b. Minimum pressure will be at or near 50 p.s.i. at the point of delivery.

c. Title to and possession of the treated water passes to the Authority when the water passes through the meter ~~at or near the point of delivery.~~

~~6.7.~~ PRICE OF TREATED WATER.

a. The price to be charged for treated water sold by the City each calendar year to the Authority shall be determined as follows: [to be inserted] [NOTE: THESE PROVISIONS NEED TO BE INSERTED AND BE SUBSTANTIALLY THE SAME AS THE TERMS OF THE PRIOR SETTLEMENT AGREEMENT AND RELEASE].

Commented [LA4]: Let's discuss using the rate that is adopted by ordinance.

7. QUALITY.

~~The City makes no representation as to the quality of the water made available under this Contract. It is understood and agreed that the City shall use reasonable diligence to prevent the pollution or contamination of any of the water supply referred to herein from any cause, and further that such water shall be treated water of such a quality as to meet the requirements of the Texas Commission on Environmental Quality at the point of delivery.~~

Commented [LA(5)]: Do not agree with this change.

8. MAINTENANCE AND OPERATION OF FACILITIES.

- a. The water main and related improvements constructed by Authority shall be maintained, operated, and repaired by Authority subject to provisions herein contained.
- b. City shall have the right to require Authority to maintain its facilities on City property or easements in a manner comparable to the level of maintenance at similar City facilities.

9. MEASUREMENT OF TREATED WATER.

- a. The treated water delivered under this Contract must be measured in U.S. standard gallons by a suitable water meter or meters which shall be accurate within 2%, either plus or minus.
- b. The City shall have the right to specify the type of meter or meters to be used and to specify the installation design of the meter or meters.
- c. The parties previously entered into the separate Purchase Agreement Water Pipeline and Easements ("Purchase Agreement") which provided for the City to purchase, install and maintain a new water meter at the location specified therein. A copy of the fully executed Purchase Agreement is attached as Exhibit A [NOTE: NEED TO ATTACH THIS EXHIBIT] and is incorporated by reference.
- d. Checks as to the accuracy of the meter or meters will be made annually by the City, at the City's expense. The Director will notify the Authority's Representative in writing 10 days in advance of all annual checks and tests in order that the Authority may have a representative present as a witness.

Commented [LA(6)]: Agreed.

(1) If either the Director or Authority's Representative, at any time, notifies the other that it desires a special test of any meter, the parties will cooperate in arranging for a special test to be made by the City.

(2) The expense of the special test of the meter or meters will be paid by the party requesting such test.

(3) If, on any test, the meter tested is found to be inaccurate by an amount exceeding 2%, either plus or minus, then any previous readings of such meter will be corrected for any period of inaccurate measurement, which is definitely known or agreed upon, but no such correction will extend back over a period beginning more than 30 days prior to the time when such inaccuracy was first made know by either party to the other.

(4) If, for any reason, the meter or meters are out of service so that the volume of treated water delivered cannot be ascertained or computed, the treated water delivered during the period such meter or meters are out of service will be estimated by the Director, in consultation with the Authority's Representative, upon the basis of the best data available.

e. The City will read the meter or meters monthly and will determine from these readings the amount of treated water delivered to the Authority. All meter readings will be made available to the Authority's Representative during the City's reasonable office hours.

10. FIXED MINIMUM OBLIGATION OF TREATED WATER

a. ~~The Authority is obligated and hereby agrees to purchase all of its water from City, except water obtained in such a way as to augment the total dependable yield of the City's water supply. Authority is not obligated to purchase any minimum amount of water in any billing month during the perior of this Contract, but Authority shall pay City a monthly sum equal to the minimum charge for outside City limits (OCL) customers based on a master meter size in use at the date of billing as prescribed under Section 6 hereof regardless of whether or not any water is used. This minimum payment is intended to cover the costs of meter readings, testing, billing, and other costs which will continue whether or not any water is withdrawn by Authority to purchase minimum of 22,400 Acre-feet of treated water from the City per calendar year, whether taken or not.~~

Commented [LA[7]: This section needs to be reviewed after Authority provides its requested quantity amount in Section 4.

b. ~~If the payment due the City from the Authority for treated water withdrawn during the billing period under consideration exceeds the minimum, then payment must be made for the full amount taken by Authority.~~

Commented [LA[8]: Assuming that there is a minimum amount, this needs to remain.

11. BILLING AND PAYMENTS.

a. All treated water taken in any one calendar month will be billed between the first and tenth of the next succeeding calendar month, and the Authority will pay the bill within 15 days of receipt of such bill. Any clerical error in the bill or minor question regarding the bill is not sufficient grounds to delay payment by the Authority to the City. Any such questions will be properly settled under the terms of this Contract and by the agreement of both parties. Any

adjustments in the amount paid as a result of such agreement will be added to or deducted from the following month's bill.

b. Any failure by the Authority to pay the monthly billing within 30 days after such billing date shall authorize the City to discontinue furnishing water to Authority. In the event it becomes necessary to collect such charges through any Court procedure, the City is entitled to also recover reasonable attorney's fees. In the event it becomes necessary for the City to stop the selling of water, due to Authority's failure to pay its water bills, City may require the payment in advance of each monthly water bill based on the previous bill plus any adjustments as a condition to the resumption of furnishing water to the Authority.

12. Indemnity. Authority will indemnify City from any liability which might accrue of facilities constructed by Authority on land or right-of-way owned by City or Authority, and Authority assumes all responsibility for adequately maintaining and safeguarding said facilities. This provision is for the protection of City and Authority, and is not for the benefit of third parties.

134. RESTRICTIONS ON RESALE. [NOTE: WE NEED TO REVIEW THIS SECTION IN DETAIL FOR POSSIBLE ADDITIONAL REVISIONS SINCE IT IS FROM THE ORIGINAL CONTRACT AND MAY BE OUTDATED OR NO LONGER NEEDED].

Authority agrees not to sell water directly or indirectly to any existing or future users located within City's five-mile extraterritorial jurisdiction in existence as October 14, 1980 of the effective date of this contract. Specific written approval by the City Council of City will be required before Authority sells water which Authority has purchased from City to:

(a) A municipality, political subdivision, nonprofit corporation, special legislative Authority or authority located in Nueces County which is not legally constituted as of January 1, 2021 the effective date of this agreement.

(b) A municipality, political subdivision, nonprofit corporation, special legislative Authority or authority which is located outside Kleberg or Nueces County.

(c) Any private organization or person desiring to resell to others.

(d) Any subdivision or lot in any subdivision, whether designed for single-family, multiple-family, mobile home, commercial, industrial, or other uses, not included in the initial water line construction program of Authority in an unincorporated area within the area over which City maintains platting control, or to governmental unit for resale to or in such subdivision. Written City council approval will, in this case, be contingent upon the prior review and approval of the Planning Commission of City. In the event that written City approval is obtained by Authority to serve users within City five-mile extraterritorial jurisdiction Authority agrees to bind all of its customers within the five-mile extraterritorial jurisdiction of City to the standard water service

Commented [LA19]: Let us know your requested changes to this section.

contract in accordance with Section 55-111, City Code of Ordinances (non-agricultural use where partly or wholly beyond the City limits) or in accordance with Section 55-112 (agricultural use covenant). As a prerequisite for receiving water service from Authority at each individual water tap, each customer or property owner within the five-mile extraterritorial jurisdiction shall properly execute and file with the Director of Public Utilities of City a standard form contract for providing water to property beyond the City limits. As City five-mile extraterritorial jurisdiction is extended periodically, each individual customer or owner coming within such extended jurisdiction shall be bound by Authority to the execution of such contract as provided herein as a condition for continued water service.

Authority shall make available to City the names and tap locations of all direct and indirect customers of Authority who are located within City five-mile extraterritorial jurisdiction, and who are to execute contracts under Section 55-111, and those who are to execute contracts under Section 55-112, City Code of Ordinances, all as set forth herein.

(e) Any new subdivision or lot in any subdivision, whether designed for single-family, multiple-family, mobile home, commercial, industrial, or other uses, not included in the initial water line construction program of Authority or to governmental unit for resale to or in such subdivision, unless the plat of such subdivision has been approved by the governmental entity having platting jurisdiction, ~~or such entity has determined not plat is required~~ and the developer of the subdivision has installed the subdivision improvements consistent with the standards set forth by said governmental entity. If no governmental entity has such jurisdiction, approval of such plat by Planning Commission of City must be made prior to City granting written approval to Authority for sale of treated water to such subdivision or lot.

(f) Any private organization or person not included in the initial water line construction program of Authority within an area where no City has platting jurisdiction, or to governmental unit for resale to such organization.

Authority shall not sell water or allow its customers to resell water in violation of the restrictions herein set forth. In the event City determines that Authority and/or its customers are selling or reselling water in violation of such restrictions City shall notify Authority in writing stating specifically each violation. Thereupon Authority shall have ~~thirty (30)~~ ninety (90) days after service of the aforesaid notice in which to remedy or remove the cause or causes of each violation stated in the notice to City satisfaction as determined by the Director of Public Utilities of City. Authority agrees to bind all of its customers to the stipulations contained in this ~~C~~e contract.

14. SALES TO AGRICULTURAL USERS: The aforementioned water sales restrictions notwithstanding, Authority shall be permitted to sell water to customers for agricultural use hereby defined as meaning cultivating the soil, harvesting crops, raising livestock, and pasture grazing, without obtaining prior written approval of City. Said agricultural users shall not be

engaged in retail sales on the premises served by Authority except for retail sales of non-processed products grown on said premises.

15. LIST OF CUSTOMERS. Authority shall furnish City with a list of all direct customers and the location of all taps upon City request.

16.7. CITY RIGHT TO SELL. [NOTE: WE NEED TO REVIEW THIS SECTION IN DETAIL FOR POSSIBLE ADDITIONAL REVISIONS SINCE IT IS FROM THE ORIGINAL CONTRACT AND MAY BE OUTDATED OR NO LONGER NEEDED].

City retains the right to sell water at points and to customers ~~not previously served by Authority~~ that are located within the boundaries of Authority after furnishing written notice to Authority, ~~unless the City agrees not to sell water directly to any customer located within Authority's boundaries to whom Authority is willing and able to provide water service at such points and to such customers at regular established and published Authority water rates.~~ The City and the Authority retain the right to sell treated water at points and to customers that are located either within or outside of the boundaries of the Authority, consistent with applicable law, and they will consult with each other about plans for extensions into new areas.

Commented [LA10]: Please let us know your requested changes.

17. WATER RIGHTS

a. It is mutually agreed and understood that City shall have complete and exclusive rights to all water impounded by City reservoirs during the time this Contract shall remain in force. City binds and obligates itself to take the necessary actions within its power and to make the necessary applications to obtain whatever additional water rights as might be necessary to adequately meet the needs of its existing contracts, this Contract with Authority, and any future contractual obligations of City. It is also mutually agreed and understood that this Contract is subject to City obtaining any necessary permission from the Texas Commission on Environmental Quality or other regulatory authority over such matters to sell water to Authority, ~~and Authority agrees to support any future City requests to the Texas Commission on Environmental Quality or other regulatory authority for said permission. Should it develop that Authority requires a permit to distribute the water sold to Authority by the City hereunder, City agrees to support application by Authority to the regulatory authority for such permit.~~

Commented [LA11]: Please provide reason for requested deletion.

b. It is mutually agreed and understood that Lake Corpus Christi and Choke Canyon Reservoir waters, any currently developed ground water, water acquired by the City from the Lavaca-Navidad River Authority, water rights obtained from the Garwood Irrigation Company, and other future waters, whether surface waters or ground waters, obtained by the City may be used to

supply water during the time this Contract remains in force. [NOTE: DOES THIS INCLUDE DE-SAL?]

Commented [LA{12}: Yes, this could include water provided through desalination.

c. Further, that this Contract is subject to the City's responsibility and obligation to provide water to municipal and industrial consumers within the Corpus Christi city limits and other municipal and industrial consumers outside its city limits.

18. REMEDIES UPON DEFAULT.

a. If either party determines that the other party is in default under this Contract, the party claiming default by the other party shall give written notice to the other party, which states specifically the nature of the default and the remedy for the default that the party intends to seek. The notice must be mailed to the defaulting party at the address provided in Section 27 of this Contract.

b. The defaulting party has or will have thirty (30) days in which to cure the default, or if such default cannot be reasonably cured within such thirty (30) day period, the defaulting party shall use reasonable efforts to undertake to cure such default within such thirty (30) days, or if the default cannot be reasonably cured within such thirty (30) day period, if the defaulting party does not use reasonable efforts to undertake to cure the default and reimburse the party not in default for any and all costs incurred as a result of the breach within such thirty (30) day period, the party claiming default may seek any remedy available at law or equity, including an action in mandamus or for specific performance.

~~c. In case the party in default does not so remedy or remove the cause or causes of default or does not indemnify the party giving the notice for any and all consequences of such breach within said period of thirty days, then, at the option of the party giving notice of default, this contract shall become null and void from and after the expiration of said period. Any cancellation of this contract pursuant to the provisions of this Section shall be without prejudice to the right of either party hereto to collect any amounts then due it from the other party prior to the time of cancellation and without waiver of any remedy to which the party not in default may be entitled for violations of this contract.~~

~~cd. No waiver of any breach or default by any party or of performance may be deemed a waiver in the future, nor may any waiver be deemed or construed to be a waiver of subsequent breach or default of any kind, character, or description, under any circumstances.~~

19. RATIONING OF WATER.

Authority and City agree to the following stipulations with regard to the rationing of water:

(a) All water sales agreements between Authority and its customers shall stipulate that should there be a shortage in the basic supply of water which requires the restriction or curtailing of any customer of water within the city limits of City that coincident with such restriction or limitation with City, Authority will limit and restrict all of its customers, both direct and indirect through resale, to the same extent. Such rationing by City shall be applied uniformly to all water customers of City.

~~22. RIGHT TO TERMINATE CONTRACT.~~

~~If after four (4) years from the date of this Contract Authority has not provided facilities for the taking of treated water under the terms hereof, City shall have the right to cancel this contract by giving written notice to the Authority of such intention, or City may, if it sees fit, extend the four (4) year period for any additional period or periods, retaining the right to terminate this contract at the end of any such extended period until such time as Authority may complete the first stage of its facilities and begins taking treated water.~~

~~If Authority's need for water from City should cease for a period of at least 30 days, then in such event Authority may, by giving at least 30 days written notice to City by registered mail, cancel and terminate this contract in its entirety. If Authority should elect to give and actually give City said written notice, then after the expiration of 30 days from the date said notice is mailed to City as above provided, this contract and all of its provisions shall become null and void.~~

Commented [LA13]: Request language that would allow for early termination of the Contract by either party in the event Authority ceases to take or need the water.

20. FORCE MAJEURE

If the City or Authority is prevented, wholly or in part, from fulfilling its obligations under this Contract by reason of any act of God, unavoidable accident, acts of enemies, strikes, fires, floods, conservation of water for those with superior and legal rights to such water, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances reasonably beyond its control, then the obligations of City or Authority, as provided in this Contract, are temporarily suspended during continuation of such force majeure. No damage is recoverable by the Authority from City by reason of the temporary suspension of delivery of water due to any of the causes above mentioned. If the City's obligation is affected by any of such causes, the City will promptly notify the Authority's Representative in writing, giving full particulars of such force majeure as soon as possible after the occurrence of the cause or causes relied upon. If the Authority's obligation is affected by any of such causes, the Authority will promptly notify the City's Representative in writing, giving full particulars of such force majeure as soon as possible after the occurrence of the cause or causes relied upon.

21. ASSIGNABILITY.

This Contract may be assigned by Authority only with the written prior consent of the governing body of the City, but if assigned, this Contract shall be binding upon parties hereto as well as their successors and assigns.

22. TERM OF CONTRACT.

When this Contract shall have been approved by the parties hereto, the obligations of the parties hereto shall be binding and shall extend for a period of twenty (20) years commencing on date of last signature. Upon request of either party, an extension of the term of this Contract will be the subject of negotiation between the parties and extended upon such terms as are agreed upon by the parties at that time, provided such request for negotiation is communicated in writing at least two years prior to the termination of this Contract.

23. AUTHORITY TO EXECUTE.

Both parties represent that the individual signing this Contract on behalf of each of the parties has been duly authorized to execute this Contract by proper ordinance or resolution of its governing body, and certified copies of the authorizations have been provided to the other party for attachment to this Contract.

24. WATER CONSERVATION AND DROUGHT CONTINGENCY MEASURES.

a. The Authority acknowledges the terms of the Texas Natural Resources Conservation Commission Agreed Order of April 28, 1995, which amended the operational procedures relating to Special Condition 5.B, Certificate of Adjudication No. 21-3214, and the City's responsibilities under both the Agreed Order and the Certificate of Adjudication No. 21-3214, and the City's responsibilities under both the Agreed Order and the Certificate of Adjudication.

b. The Authority recognizes that the Agreed Order and Certificate of Adjudication may be amended in the future. The Agreed Order requires the City to provide in any future contracts or any amendments, modifications, or changes to existing contracts the condition that all wholesale customers and any subsequent wholesale customers must develop and have in effect a water conservation and drought management plan consistent with the City plan as required by applicable state law.

c. The Authority agrees that during the term of this Contract, it shall have in effect a water conservation and drought management plan consistent with the City's water conservation and

drought management plan adopted by City ordinance. The Authority also agrees to bind future customers and its existing customers upon contract renewals to develop and have in effect a water conservation and drought management plan consistent with the City plan.

d. If the City implements any measures under its Water Conservation and Drought Contingency Plan, adopted under Chapter 55 of the City Code of Ordinances, as amended, the Authority shall, within 30 days of notice of the implementation of any restrictions, surcharges, or rationing by the City, impose similar restrictions, surcharges, or rationing measures on its customers.

e. Any contract for resale of water furnished by the Authority shall contain a similar condition. If for whatever reason the Authority, or its customer, is unable or unwilling to impose the required restrictions, surcharges, or rationing measures within the required time period, the Authority, or its customer, shall reduce its consumption of water from the system as follows:

(1) During Condition 1 – Mild Water Shortage Watch, deliveries from the system shall be reduced by 10% from the average deliveries for the same month of the year over the previous three years.

(2) During Condition 2 – Moderate Water Shortage Conditions, deliveries from the system shall be reduced by 15% from the average deliveries for the same month of the year over the previous three years.

(3) During Condition 3 – Critical Water Shortage Conditions, deliveries from the system shall be reduced by 30% from the average deliveries for the same month of the year over the previous three years.

(4) During Condition 4 – Emergency Water Shortage Conditions, deliveries from the system shall be reduced by 50% from the average deliveries for the same month of the year over the previous three years.

[NOTE: NEED TO CONFIRM THE FOREGOING ARE CURRENTLY ACCURATE AS THEY HAVE CHANGED OVER TIME]

f. If for whatever reason the Authority, or its customer, is unable or unwilling to impose the required restrictions, surcharges, or rationing measures within the required time period, but relies upon other sources of water for all or a portion of its water requirements, the Authority, or its customer, agrees not to request an increase in the amount of water being diverted from the system should the Authority's, or its customer's, other source(s) of water fail to continue to yield the amounts of water anticipated.

g. To the extent that the TCEQ or other regulatory agency requires rationing of water in a manner stricter than that imposed by the City, the Authority will comply with such stricter method of rationing water.

h. The Authority shall furnish a copy of any ordinances, orders, or rules adopted by it or its customers that is adopted to implement the required restrictions, surcharges, or rationing measures within the applicable jurisdiction. If for whatever reason the Authority, or its customer, is unable or unwilling to impose the required restrictions, surcharges, or rationing measures, the City may audit the records of the Authority to ensure that the Authority or its customer has reduced its diversions by the amount required by this Section.

i. The failure of the Authority to comply with this Section of the Contract is a "default" under Section 18 of this Contract.

258. BACKFLOW PREVENTION DEVICES AND OTHER REGULATORY REQUIREMENTS

a. ~~The City and the Authority shall design, construct, operate and maintain its water system in compliance with all applicable Federal, State and local laws.~~

b. Authority shall ensure that all connections with the City water system have an air gap or contain backflow prevention device consistent with City Plumbing Code requirements and in compliance with State laws. Authority shall not allow any other party to connect with the City water system. The City reserves the right to immediately disconnect water connections in violation of this requirement without any notice to Authority and without any penalty or liability to City.

c. Authority grants the City and its officers, agents, and employees to go upon Authority property at normal business hours ~~any time~~ to inspect for compliance with these requirements.

Commented [LA14]: Do not agree with changes in this section.

269. RESOLUTION OF DISPUTES

In the event of any dispute between the parties under this Contract, the party shall provide written notice of the dispute and allow at least 30 days for written response prior to initiating any further action. ~~The parties shall first attempt in good faith to settle and resolve such dispute. If such efforts are not successful, the parties agree to submit the dispute to non-binding mediation before a mutually agreed upon mediator with each party sharing the expense of the mediator. If such non-binding mediation is not successful, the party shall provide written notice of the dispute and allow at least 30 days for written response prior to initiating any further action.~~ ~~If dispute cannot be resolved by mutual agreement, then resolution shall be in accordance with applicable law.~~

27. NOTICES AND ADDRESSES.

Any notice, communication, or statement required to be given pursuant to this Contract will be in writing and deemed to have been received when delivered in person or three (3) days after mailing if sent by certified mail, postage prepaid, return receipt requested, to the address of the respective party indicated below:

CITY OF CORPUS CHRISTI

Attn: City Manager

P. O. Box 9277

Corpus Christi, Texas 78469-9277

South Texas Water Authority

Attn: Executive Director

2302 East Sage Road

Kingsville, Texas 78363

28. PERIODIC REVIEW OF CONTRACT PROVISIONS.

a. The Authority and the City shall review the terms of this Contract whenever a change in circumstances may require an amendment, but shall review the Contract at least every five (5) years to determine whether any changes should be made.

29. SEVERABILITY.

In case any one or more provisions contained in this Contract is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability does not affect any other provision hereof, and this Contract will be construed as if such invalid, illegal or unenforceable provision had never been contained in this Contract.

30. CAPTIONS.

All titles of the sections of this Contract have been inserted for convenience of reference only and are not considered a part of this Contract and in no way will they affect the interpretation of any provisions of this Contract.

31. MODIFICATIONS.

Any amendments, or alternative or supplementary agreements, to this Contract must be made in writing and duly executed by an authorized representative or agent of each of the parties to this Contract.

32. PARTIES AT INTEREST.

This Contract is for the sole and exclusive benefit of the parties and shall never be construed to confer any benefit on any third party. This Contract will be binding upon and inure to the benefit of the parties and their respective successors and assigns where permitted by this Contract.

33. TEXAS LAW TO APPLY.

This Contract will be construed under and in accordance with the laws of the State of Texas.

34. VENUE.

Any action or proceeding relating to this Contract must be taken in Nueces County, Texas. The parties agree that the courts in Nueces County, Texas shall have exclusive jurisdiction over this Contract.

35. PRIOR AGREEMENTS SUPERSEDED.

This Contract constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements or settlement agreement between the parties respecting the within subject matters.

36. ALL AGREEMENTS CONTAINED IN THIS WRITTEN INSTRUMENT.

This Contract represents the entire agreement between the Authority and the City and supersedes all prior negotiations, representations, or agreements either oral or written.

37. IMPOUNDMENT OR DIVERSION OF WATER SUPPLY.

Before Authority undertakes any project for impoundment or diversion of the water provided under this Contract, City must be consulted by Authority to determine possible impact to the City's water system.

38. REQUIRED NOTICES

Authority shall notify City in writing at least two weeks prior to making any change in its planned diversion rates, not to exceed the maximum diversion rates specified in this Contract. Such notice shall include Authority's anticipated diversion rate.

42. ~~AUTHORITY SERVICE OBLIGATIONS~~

~~Authority agrees to make its treated water available for sale to the City and treat the City as any other wholesale customer.~~

Commented [LA15]: Do not agree with this change.

EXECUTED TO BE EFFECTIVE AS OF THE DATE OF LAST SIGNATURE:

CITY OF CORPUS CHRISTI, TEXAS

"City"

Name:

Title:

Date: _____ 2021

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on _____,
2021 by _____ as the _____ for the City of Corpus Christi, a Texas
municipal corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

[Seal]

Approved as to legal form this ____ day of _____, 2021 for the City Attorney

Lisa Aguilar, Assistant City Attorney

DRAFT

South Texas Water Authority
"Authority"

By: _____

Name: _____

Title: President, Board of Directors

Date: _____, 2021

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me by on _____, 2021 by
_____ as the President of the Board of Directors of South Texas Water Authority.

Notary Public in and for the State of Texas

EXHIBITS:

DRAFT

ATTACHMENT 11

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

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 26, 2021
Re: Nueces County Water Control and Improvement District #5 (NCWCID #5 - Banquete) Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities

Background:

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

Analysis:

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

Staff Recommendation:

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

Board Action:

Determine whether any other action is necessary regarding this contract.

Summarization:

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

ATTACHMENT 12

NewGen Services – True Up

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 26, 2021
Re: NewGen Strategies and Solutions Consultant Services Associated with the City of Corpus Christi
Annual Rate "true-up"

Background:

As the Board is aware, the Settlement Agreement with the City of Corpus Christi (City) provides for a review of the City's rate model and true-up of the City's rates in the event the City has either over- or under- charged its wholesale customers. Those customers include the San Pat Municipal Water District (SPMWD) and the Nueces County Water Control and Improvement District #4 (NCWC&ID#4) in Port Aransas. Previously, STWA, SPMWD and NCWC&ID#4 have shared the consultant's cost to review the model and analyze the true-up. In the last couple of years, STWA and NCWC&ID#4 have shared the cost. This year, SPMWD may begin sharing the cost again. Staff has contacted City staff on a timeline to receive their updated rate model. In addition, staff requested a proposal from NewGen for their services associated with reviewing the model.

Analysis:

Mr. Chris Ekrut provided the attached proposal. The proposal cost is written as a not to exceed \$3,500 without prior approval. Mr. Ekrut would be acting as the project manager and has done so since STWA began using NewGen's services in the summer of 2015. Staff has been pleased with NewGen's services.

Staff Recommendation:

Authorize staff to execute the service agreement with NewGen Strategies and Solutions in an amount not to exceed \$3,500 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 \$3,500 for review of Corpus Christi's Rates and Model.

Summarization:

The Settlement Agreement and thus the model review and true-up are intended to ensure that the City's expenses as allocated result in fair wholesale raw and treated rates. These rates are also based on any of the City's overcharges or undercharges for the previous *full* fiscal year.



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

June 28, 2021

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

Mr. Scott Mack
Manager
NCWCID #4
1812 State Highway 361, Suite F
Port Aransas, TX 78373

Ms. Rebecca Klaevemann
San Patricio Municipal Water District
P.O. Box 940
Ingleside, TX 78362

Subject: Agreement to Review Corpus Christi Rate and Model Review

Dear Ms. Serrato, Mr. Mack, and Ms. Klaevemann:

Based on our prior conversations, NewGen Strategies and Solutions, LLC ("NewGen") is pleased to propose our assistance to the South Texas Water Authority ("STWA"), Nueces County Water Control and Improvement District No. 4 ("NCWCID #4"), and San Patricio Municipal Water District ("SPMWD") (collectively, "the Parties") in reviewing the FY 2022 Corpus Christi ("City") Rate Model, Budget, and True-up Calculations as prepared specific to the rate to be charged to the Parties. 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 the Parties and the City and to discern any significant differences or variances that merit further review. To the extent questions arise, coordinate with the Parties and the City to receive satisfactory answers regarding these questions;
- Provide the consultant's opinion of the calculations and any associated recommendations to the Parties' staff and Board, as applicable;
- Participate in meetings as necessary with the Parties and/or the City to explain the report's findings and/or answer any questions that may exist; and
- Other services as may be requested.

For this engagement, Mr. Chris Ekrut will be responsible for providing the requested services. Mr. Ekrut has a long history of reviewing the rate models prepared by the City and is well-versed in the City's rate calculation methodologies. While Mr. Ekrut will be the primary provider of services to the Parties, 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 the Parties and that all work product exceeds the Parties' expectations.

Ms. Carola Serrato, Mr. Scott Mack, and Ms. Rebecca Klaevemann

June 28, 2021

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Given that the exact level of effort for the engagement is not known, NewGen proposes to bill the Parties based on time incurred at our then applicable hourly billing rates as well as expenses based on actual cost incurred. **All time charges will be split equally between the Parties, and the services provided by NewGen will not exceed \$3,500 without the express written permission of the Parties.**

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, 2021, are as follows:

**NewGen Strategies and Solutions
2021 Billing Rates**

Position	Hourly Billing Rate
President / Managing Director / Director	\$230 - \$360
Executive Consultant	\$220 - \$320
Senior Consultant	\$165 - \$220
Consultant	\$120 - \$170
Administrative Services	\$110

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

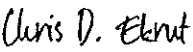
This agreement is subject to cancellation within thirty (30) days prior written notice provided to NewGen. In the event of cancellation, all labor and expense charges incurred by NewGen through the date of cancellation will be considered due at the time notice of cancellation is delivered, regardless 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 the Parties 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 the Parties in this engagement and appreciates this opportunity. If this letter is in agreement with your understanding of the scope of services to be provided, and our proposal terms and conditions are acceptable, please execute one copy and return to our Richardson, Texas office. If you have any questions, please feel free to contact Mr. Chris Ekrut at 972-232-2234 or via email at cekrut@newgenstrategies.net.

Very truly yours,

NewGen Strategies and Solutions, LLC

DocuSigned by:


FB62F346CFA8440...

Chris D. Ekrut
Chief Financial Officer

Ms. Carola Serrato, Mr. Scott Mack, and Ms. Rebecca Klaevemann
June 28, 2021
Page 3

South Texas Water Authority

Signed: _____
Printed: _____
Title: _____
Date: _____

Nueces County Water Control and Improvement District No. 4

Signed: _____
Printed: _____
Title: _____
Date: _____

San Patricio Municipal Water District

Signed: _____
Printed: _____
Title: _____
Date: _____

ATTACHMENT 13

February 2021 Winter Storm

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2021
Re: February 2021 Freeze Event – Final Status Update

Background:

Last week and this week, additional insurance claim payments were received from TML, South Texas Water Authority's provider as well as the Nueces and Ricardo Water Supply Corporations' carriers. Enclosed are the updated spreadsheets. As you can see, for the pump stations located in Nueces County, there are a few items that will require reimbursement to STWA.

Analysis:

Staff believes with the exception of any additional work that must be performed – such as the replacement of a valve at Ricardo WSC's Pump Station #1 – that the required claims have all been filed and processed.

Staff Recommendation:

Keep the Board updated on any insurance claims.

Board Action:

Provide feedback to staff.

Summarization:

Staff believes this should be the final report on this event.

Memorandum

To: Nueces Water Supply Corporation Board of Directors
From: Carola G. Serrato, General Manager
Date: July 30, 2021
Re: February Freeze Event – Winter Storm Uri – Final Update

Background:

Enclosed please find the latest STWA Board memo on this subject as well as the last NWSC memo. Also enclosed are the updated spreadsheets separated by pump station as well as a summary page. You will note that it appears that the NWSC has been reimbursed for more than its expenses once the \$1,000 deductible is taken into account. This is as a result of some of the items being covered under STWA's schedule rather than NWSC's insurance. As such, there will likely be a small adjustment in the form of NWSC reimbursing STWA taking into consideration the deductibles for both entities.

Analysis:

Staff believes that the majority of the items have been corrected. There is one (1) remaining item related to the pump at the Central Pump Station, which is a booster pump for Banquete, Sablatura Park and Agua Dulce. As such, staff believes this should be the final report on this event.

Staff Recommendation:

As mentioned above, I believe this should be the final update. However, please provide feedback to staff if you feel there are any items requiring additional attention.

Board Action:

Determine if there are any items requiring additional efforts to recoup the Corporation's costs.

Summarization:

Most, if not all, of the credit for recouping the costs goes to Business-Risk Manager Frances DeLeon. With three (3) entities, various insurance companies, a multitude of man-hours, and numerous service providers/vendors, it was quite complicated filing all the claims. It was a job well-done.

**Freeze Event Totals - All Nueces Stations
as of 7-30-2021**

Expenses			
Materials	\$13,704.80		
Scott Electric	\$3,254.62		
Stewart and Stevenson	\$5,976.85		
MNI	\$5,598.43		
Miscellaneous	\$253.07		
Overtime	<u>\$4,735.86</u>		
	\$33,523.63		
		Insurance Pd.	Bal. after Ins.
NWSC Cost	\$29,270.08	\$27,474.81	\$1,795.27
STWA Cost	<u>\$4,253.56</u>	<u>\$5,447.72</u>	(\$1,194.17)
	\$33,523.63	\$32,922.53	
	Amount Not Recouped by BOTH		\$601.10

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

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

Material	\$1,730.26	*
Scott Electric	\$385.00	*
Overtime	<u>\$765.95</u>	
	\$2,881.21	

NWSC Cost	\$2,498.24
STWA Cost	<u>\$382.98</u>
	\$2,881.21

NWSC Insurance Reimbursement	\$2,059.36	Gate Valve and Scott Electric claims paid
STWA Insurance Reimbursement	See 1st Sheet	

*To be filed with TML - for STWA

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

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

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

NWSC Cost	\$ 352.08
STWA Cost	\$ 352.08

NWSC Insurance Reimbursement	411.33	Paid for Scott Electric
STWA Insurance Reimbursement	See 1st Sheet	

*Will be filed with TML - for STWA

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

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

Material	\$1,173.93		
Scott Electric	\$ 560.00	*	
Stewart and Stevenson (generator)	\$ 339.75	*	
Overtime	\$ 956.59		
	<u>\$3,030.27</u>		
NWSC Cost	\$2,130.52		
STWA Cost	\$ 899.75	See 1st Sheet	
NWSC Insurance Reimbursement	\$2,333.73	Increase of \$315 from last report - Scott Electric claim paid	
STWA Insurance Reimbursement	See 1st Sheet		

* Will be filed with TML - for STWA

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

Description	Material Cost	Complete?	Update
Couplings on Pressure Transmitters broke	\$ 55.90	Yes	Repaired during freeze event
Meter Gaskets and Belts	\$59.33	Yes	Repaired during freeze event
Valve on Hydro-pneumatic tank cracked (STWA Hydro)*	\$ 499.42	Yes	Blind flanged to stop leak - fixed during Reg hrs by FTs
Motor Operated Valve stopped working	None	Yes	Repaired during freeze event
One of 5 pumps leaking from seals	None yet	No	This still needs to be repaired.

Material \$ 614.65
 Overtime \$ 431.92
 \$ 1,046.57

NWSC Cost \$ 215.96
 STWA Cost \$ 830.61
 \$ 1,046.57

NWSC Insurance Reimbursement \$ 990.67 NWSC will need to
 STWA Insurance Reimbursement See 1st Sheet Reimburse STWA

*Hydro was listed on NWSC schedule

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

Description	Material Cost	Complete?	Update
Rosemont Pressure Transmitter on City's Elevated Tank not working so pumps would not turn on	None	Yes	Repaired during Reg Hrs by Field Personnel
Piping on Disinfection Lines cracked	\$55.90	Yes	Repaired during Reg Hrs by Field Personnel
Meter Gaskets and Belts	\$59.33	Yes	Repaired during freeze event
Valve on Meter Run Bypass cracked	503.39	Yes	Repaired during Reg Hrs by Field Personnel
Coupling on Flow Switch Cracked	See Disinfection item	Yes	
Pump for Elevated Tank would not work in Automatic	None	Yes	
City Pump Check Valve	\$730.69	No	Check Valve needs replacing - ordered/delivered

Material \$1,349.31
 Scott Electric \$ 315.00 *
 Overtime \$ 247.66
 \$1,911.97

NWSC Cost \$ 123.83
 STWA Cost \$ 1,788.14
 \$ 1,911.97

NWSC Insurance Reimbursedment \$ 1,541.07 NWSC will need to
 STWA Insurance Reimbursement \$ 560.00 Pd S. Electric claim Also See 1st Sheet

*Will be filed with TML - for STWA

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

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

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

ATTACHMENT 14

Annexation Petition

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 26, 2021
Re: Annexation Petition – Final, Formal Approval
Resolution 21-18 – Jeremy and Chavalan Carpenter – Tract 31, Tierra Verde 2, Nueces County, Texas

Background:

During the last meeting in June, the Board approved Resolution 21-15 which set the date and time for the required annexation public hearing. The public hearing will be scheduled immediately prior to the August STWA Board meeting.

Analysis:

Adoption of Resolution 21-15 began the annexation process which enables the NWSC to provide retail service to Mr. and Mrs. Carpenter. Resolution 21 - 18 completes the process by formally annexing the property per the owner's request.

Staff Recommendation:

Adopt Resolution 21-18.

Board Action:

Determine whether to adopt Resolution 21-18.

Summarization:

I have used the analogy many times in the past that this matter is a win-win-win situation. The property owner wins by receiving rural service at the same rate as all NWSC customers. NWSC wins by expanding its customer base. And, STWA wins by expanding its tax base.

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

STATE OF TEXAS :
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

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

[Signatures and Acknowledgement on following page.]

EXECUTED this 16 day of June, 2021.

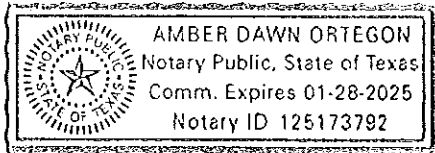
[Signature]
Jeremy Carpenter
[Signature]
Chavalan Carpenter

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

Subscribed and sworn to before me Jeremy Carpenter on this the 16th day of June, 2021.



[Signature]
Notary Public
My Commission Expires: 01/28/25

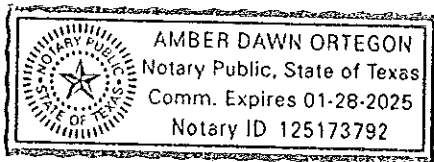
NOTARY SEAL

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of NUECES

Subscribed and sworn to before me Chavalan Carpenter on this the 16th day of June, 2021.



[Signature]
Notary Public
My Commission Expires: 01/28/25

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

Tract Thirty-one (31) TIERRA VERDE UNIT II, an addition in Nueces County, Texas, according to map or plat thereof recorded in Volume 50, Page 92 of Map Records of Nueces County, Texas.

ATTACHMENT 15

Resolution 21-18

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 3rd day August, 2021.

Imelda Garza, Secretary
Board of Directors

Brandon W. Barrera, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 21-18

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 16

Surplus Bid for 2009 Ford F-150 Pickup

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 6, 2021
Re: Authorization to Sell 2009 Ford F-150 to Highest Bidder

Background:

In May, the Board authorized staff to dispose of old camera and computer equipment and advertise for bids on a 2009 Ford F-150 pickup truck. Although staff's memo on the subject recommended that the Board authorize staff to sell to the highest bidder, staff double-checked the minutes of the meeting and the recording and did not find that authorization.

Analysis:

Staff is bringing this matter to the Board in order to receive the proper authorization.

Staff Recommendation:

Authorize staff to sell the vehicle for the highest (and only) bid of \$400.

Board Action:

Determine whether to authorize staff to sell the vehicle for \$400 – the highest bid.

Summarization:

As stated in previous memoranda on surplus sales, staff does not anticipate bringing in large sums of money as a result of these types of sales. The sales do, however, result in periodic proper housekeeping.

ATTACHMENT 17

Vacation, Personal And Compensatory Leave Carryover

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 26, 2021
Re: Vacation, Personal and Compensatory Leave Carryover

Background:

This item was last presented to the Board in April 2021. There was no action on the matter. In July 2020 in response to the pandemic, the Board suspended, on a temporary basis, the maximum hours for vacation and personal leave. Attached is the memo from the April 2021 Board meeting.

Analysis:

Although Texas is now 100% open, staff continues to stay informed about possible waves of COVID-19 variants which could possibly impact available staffing. Nonetheless, I believe it is prudent to check the impact of this temporary policy suspension as well as consider setting a date to revert to the regular policies.

Therefore, with regards to personal leave, there are a few employees with higher than usual personal leave. However, the maximum 8-hour end-of-the-year carryover still allows for those hours to be used in the next five (5) months prior to the New Year.

With regards to vacation (annual) leave, there are three (3) employees that have accumulated more than the 480 hours of maximum vacation hours. The excess amounts are between seventeen (17) and seventy (70) hours. It warrants noting that I am one of those employees. Typically, I take my vacation at the end of May and the end of December in order to be available during the busier summer months when water usage is often at its maximum and other employees are on vacation. This is also the time of year when budgets are being developed as hurricane season is occurring. The other two (2) employees are the Finance Manager and the Accountant Assistant, who have been busy transitioning from the old accounting software to the new one.

Staff Recommendation:

In April, I recommended keeping the policy suspension in place for another eight (8) to nine (9) months and to pay out any excess hours for any employee separations, due to retirement, termination or resignation. Three (3) of those months have now gone by. My recommendation has not changed. However, if the Board plans to revert to the adopted policies, it would be helpful to allow lead-time notice to employees.

Board Action:

Determine whether to set a date for reverting to the adopted policies and cease the temporary policy suspension.

Summarization:

It would be wonderful to state that the pandemic is now a past memory and STWA no longer has to consider COVID-19 as a factor in staffing needs. Stating such would be premature. In the meantime, it is important to keep this matter "on the radar."

ATTACHMENT 18

Engagement Letter – John Womack & Company, P.C.

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 26, 2021
Re: Engagement Letter—John Womack and Company—Fiscal Year 2021

Background:

Enclosed is a Letter of Engagement for Auditing Services with John Womack & Company, P.C. (Womack) for fiscal year ending September 30, 2021. The engagement letter provides all communication that the AICPA (American Institute of Certified Public Accountants) designates as necessary for the auditor and client. The letter is virtually identical to last year's letter.

Analysis:

The engagement letter indicates the auditing services will be performed for \$9,075 as compared to last year's services in the amount of \$8,925, for a \$150 increase. A total of \$9,800 will be budgeted to account for an estimated \$725 for Gowland, Streal, Morales, and Company, PLLC (Gowland & Co.) for consulting services to oversee Womack's audit process and any copying expenses.

Staff Recommendation:

Approve the Letter of Engagement for Auditing Services with John Womack & Company, P.C. for fiscal year ending September 30, 2021.

Board Action:

Determine whether to approve the engagement letter from John Womack & Company, P. C. for FY 2021 audit services in the amount of \$9,075. Review and acknowledge Womack's letter outlining the various factors of the external audit.

Summarization:

An independent and external audit is necessary to ensure that fiscal accountability and proper responsibilities are maintained.

JOHN WOMACK & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA
MARGARET KELLY, CPA

P.O. BOX 1147
KINGSVILLE, TEXAS 78364
(361) 592-2671
FAX (361) 592-1411

July 23, 2021

Board of Directors and Management
South Texas Water Authority
2302 East Sage Road
Kingsville, Texas 78363

We are pleased to confirm our understanding of the services we are to provide South Texas Water Authority for the year ended September 30, 2021. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of South Texas Water Authority as of and for the year ended September 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement South Texas Water Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to South Texas Water Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies South Texas Water Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and



reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Other Supplementary Information Required by Texas Commission on Environmental Quality (TCEQ).

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of South Texas Water Authority's financial statements. Our report will be addressed to management and the governing Board of South Texas Water Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of South Texas Water Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements, related notes and cash-to-accrual conversions (i.e. GASB 34 conversion) of South Texas Water Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services, related notes and cash-to-accrual (i.e. GASB 34 conversion) and any other nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Other Matters and Limitation on Liability

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, the Authority agrees to participate in mediation, under the Commercial Mediation Rules of the American Arbitration Association, before any claim is asserted.

In the event that John Womack & Co., P.C. is found to be negligent in provision of any services covered by this agreement which result in damage to the Authority, John Womack & Co., P.C.'s liability to the Authority will be limited to actual damages or losses incurred by the Authority. John Womack & Co., P.C. will not be liable to the Authority for any punitive damages.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order or additional engagement letter for such additional work.

The audit documentation for this engagement is the property of John Womack & Co., P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to cognizant agencies or their designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of John Womack & Co., P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a cognizant agency or its d


designee. The cognizant agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately December 06, 2021 and to issue our reports no later than January 28, 2022. John L Womack is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. To ensure that John Womack & Co., P.C.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will be \$9,075 plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to South Texas Water Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Sincerely,



John Womack & Co., P.C.

RESPONSE:

This letter correctly sets forth the understanding of South Texas Water Authority.

Management Signature: _____

Title: _____

Governance signature: _____

Title: _____

FOR YOUR INFORMATION

From: Margaret Somereve <msomereve@tcaptx.com>
Sent: Monday, June 28, 2021 10:48 AM
To: mcserrato@stwa.org
Subject: RE: Legislative Update

It will but to what extent we don't know yet. The PUC has to make some regulatory rulings (they want to do it quickly but we know how that can be) and then ERCOT needs to figure their part out and then it goes to Gexa. It will be months before we see exact numbers is our guess.

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Monday, June 28, 2021 10:45 AM
To: Margaret Somereve <msomereve@tcaptx.com>
Cc: Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>
Subject: FW: Legislative Update

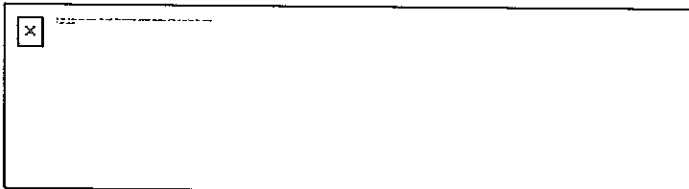
Margaret,

Will HB 4492 have any effect on GEXA's charges to TCAP members?

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

From: R.A. Jake Dyer <rdyer@tcaptx.com>
Sent: Monday, June 28, 2021 10:04 AM
To: Carola Serrato <mcserrato@stwa.org>
Subject: Legislative Update

[Having trouble? View this email on the web.](#)



From: R.A. Jake Dyer <rdyer@tcaptx.com>
Sent: Monday, June 28, 2021 10:04 AM
To: Carola Serrato
Subject: Legislative Update

[Having trouble? View this email on the web.](#)

TCAP CURRENT



LEGISLATIVE UPDATE

For this month's TCAP Current we present a quick synopsis of major energy and ratepayer bills adopted during the 87th Texas Legislature, which adjourned *sine die* on May 31. Gov. Greg Abbott has signed each of these bills into law. Please note that inclusion on this list implies neither TCAP's support nor opposition. We list them here for informational purposes only.

OMNIBUS BILLS

Senate Bill 2, by Sen. Kelly Hancock, reduces the number of ERCOT board members from 16 to 11. A selection committee, with the assistance of an outside consulting firm, would appoint eight of the 11 board members. The selection committee would be made up of three people: one appointed by the governor, one by the lieutenant governor, and one by the speaker of the House. SB 2 also requires all board members to reside in Texas. Nine of the 11 ERCOT board members under SB 2 would be voting members. Gov. Abbott signed SB 2 into law on June 8.

Senate Bill 3, by Sen. Charles Schwertner, requires electric power generators to comply with emergency preparedness standards determined by the PUC. Natural gas facilities deemed as critical must take similar steps. A newly-formed Electricity Supply Chain Mapping Committee will identify those facilities, with its initial mapping of the state's supply chain and critical infrastructure due for completion by January 2022. Electric and gas facilities in violation of weatherization requirements could face penalties of up to \$1 million a day.

In addition, SB 3 requires regulators to create an emergency alert system, similar to an Amber Alert, for power outages and inclement weather. SB 3 tasks various state regulators and

electric utilities with determining how rolling blackouts should occur during a future energy emergency. SB 3 also limits to 12 hours the amount of time that the price of wholesale power can be set at the maximum level of \$9,000 per megawatt-hour. (More typically, wholesale power sells for less than \$50 per megawatt-hour).

Both the House and Senate voted separately to remove language from the original version of SB 3 that would have required renewable energy generators to guarantee their output or pay for an alternative source of power to guarantee against their intermittency.

Gov. Abbott signed SB 3 into law on June 8, and it took effect immediately.

SECURITIZATION BILLS

The legislature adopted a number of bills that address excess market costs arising from Winter Storm Uri. These bills include provisions for a bond-financing mechanism known as "securitization" that allows for spreading of such costs to ratepayers over many years.

House Bill 4492, by Rep. Chris Paddie, authorizes the Texas Comptroller's office to dip into the state's rainy day fund and issue an \$800 million loan to ERCOT to cover debts owed to it. The final adopted version of HB 4492 also includes language to securitize the ancillary services costs incurred during the storm charged in excess of the system-wide offer cap of \$9,000 per megawatt-hour. Gov. Abbott signed HB 4492 into law on June 16.

House Bill 1520, by Rep. Chris Paddie, allows for the securitization of up to \$10 billion in excess natural gas fuel charges by gas utilities, such as CenterPoint and Atmos. Those

two companies alone racked up billions of dollars in fuel charges within just a few days during Winter Storm Uri. This legislation allows for the spreading of those costs to consumers over a 30-year period. Gov. Abbott signed this legislation into law on June 16.

House Bill 1510, by Rep. Will Metcalf, includes securitization provisions for weatherization and storm hardening for electric utilities located outside the ERCOT service area. HB 1510 also creates the Texas Electric Utility System Restoration Corporation to further the securitization bond financing process. Gov. Abbott signed HB 1510 into law on June 1.

Senate Bill 1580, by Sen. Kelly Hancock, is a securitization bill for electric cooperatives. The Senate concurred with House amendments on May 28, and Gov. Abbott signed SB1580 into law on June 18. It took effect immediately.

OTHER BILLS

House Bill 2586, by Rep. Shawn Thierry, requires a regular audit of ERCOT by the PUC. Previously, the PUC had discretion as to whether to conduct an audit. Gov. Abbott signed HB 2586 into law on May 24.

House Bill 2483, by Rep. Phil King, allows utilities to lease and operate generators for emergency reliability purposes. Gov. Abbott signed HB 2483 into law on June 15.

House Bill 16, by Rep. Ana Hernandez, bars retail electric providers from offering wholesale indexed plans to residential ratepayers. Some consumers faced bills for thousands of dollars because they received service through wholesale indexed price contracts during Winter Storm Uri. Gov. Abbott signed the bill into law on May 26.

Senate Bill 2154, by Sen. Charles Schwertner, expands the PUC from a three-member panel to one with five members. SB 2154 also requires PUC commissioners to reside within Texas, and requires that two (but not all) members be familiar with public utility regulation. Gov. Abbott signed SB 2154 on June 18, and it took effect immediately.

Senate Bill 1281, by Sen. Kelly Hancock, exempts electric utilities from having to amend their certificates of public convenience and necessity for certain short transmission projects. It also requires consideration of a broader range of load forecasts and potential renewable generation scenarios, and expands cost comparison tests to include potential consumer impacts. It requires ERCOT to conduct an annual assessment of the ERCOT grid to assess its reliability in extreme weather scenarios. Gov. Abbott signed the bill on June 16, and it takes effect in September.

Senate Bill 1202, also by Sen. Hancock, facilitates the promulgation of electric vehicle charging stations in Texas by clarifying that a business that owns such a charging station is not subject to various separate regulatory provisions that govern electric providers or that govern transmission and distribution utilities. Gov. Abbott signed the legislation into law on June 7.

Senate Bill 760 by Sen. Drew Springer, establishes requirements for solar power facility agreements, including provisions related to financial requirements for solar power facility decommissioning costs. Gov. Abbott signed the bill on June 14.

Senate Bill 415, by Sen. Hancock, stipulates that a transmission and distribution utility, with prior PUC approval, may contract with a power generation company to provide electricity from an electric energy storage facility for the provision of electricity to distribution customers. Further, SB 415 stipulates that a TDU may not own a storage facility, and likewise stipulates that a TDU may enter into a contract for energy storage only if the use of energy storage is more cost-effective than the construction or modification of traditional distribution facilities. Gov. Abbott signed the bill on June 14.

From: Margaret Somereve <msomereve@tcaptx.com>
Sent: Wednesday, July 21, 2021 2:53 PM
To: mcserrato@stwa.org; jwagner@stwa.org
Subject: Ancillary Services Billing from Winter Storm - FAQ

As many of you are receiving your July bills from Gexa, there may be confusion about how the billing relates to the letter you received in May. I have outlined the different payment options and frequently asked questions below:

Paid in full and already sent in payment

If you paid the amount in full based on the letter, you will see a total charge that reflects the amount you paid, plus gross receipts tax and PUC tax. This is the gross receipts tax and PUC tax that was excluded from the amount on the letter, as noted in footnote 1 of the letter. The amount you already paid will be shown at the top of your bill as "Total Balance Forward".

Will pay in full after I receive the bill

The amount you see on the bill is different from the letter because it includes the gross receipts tax and PUC tax that was excluded from the full amount on the letter. The exclusion was noted in footnote 1 of the letter.

Paying through 2022 or through 2028

The amount in the letter should be listed under other and matches the letter you received. The gross receipts tax and PUC tax should be included under those respective columns.

We didn't decide how we were going to pay

Per the letter that you received from Gexa, the default payment will be on the July bill – that amount that will be due through 2022. If you would like a different arrangement, contact Gexa at tcap@gexaenergy.com or at 866-867-7322.

We want to change how we will pay

Contact Gexa at tcap@gexaenergy.com or at 866-867-7322 to discuss payment options.

We received a bill this month but don't see any ancillary service billing

Some of the bills that are being received early this month or were sent in late June will not include the ancillary service charges. Your next billing will have an account with an "other" charge. If you don't see it on the next bill contact Gexa at tcap@gexaenergy.com or at 866-867-7322.

My neighboring city didn't get a bill

Although everyone's contract and retail electric provider is different, we cannot speak to how an RFP will pass or even if they will pass through ancillary services charges. Many times to "hedge" ancillary services the energy rates are higher. For example, a member left TCAP in 2016 to sign a new contract with a broker. That broker rate was \$0.005 higher than the TCAP rate they could have gotten. They also signed a 9 year contract. Over the term of the contract they will pay over \$2 million more in energy costs than if they had stayed with TCAP and twice as much as any winter storm costs. Another member who also left is paying \$0.01 more for a 5 year contract which equates to \$827,500 more over the term of the contract.

We have seen news articles about Constellation, Direct Energy, Cavallo, and Mid American Energy all passing ancillary services charges through to their customers. It is not only the deregulated market but municipal owned utilities or co-ops such as San Antonio, Georgetown, and Navarro County Co-op have also received the ancillary service billings. If anyone hasn't been billed it doesn't mean they won't be. But if they aren't, they are probably paying a much higher cost for electricity every month.

What about the securitization bill that passed – HB 4492.

The first initial filings from the PUC were released last Friday. Over 500 pages are being reviewed by Lloyd Gosselink, Resolved Energy and Gexa at this time. We will be sending out another email as soon as possible when we have determined what this means to our members.

Any other questions or issues you have please feel free to reach out to Gexa or myself.

Margaret Somereve
Executive Director

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